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**UNITED STATES AGENCY
FOR
INTERNATIONAL DEVELOPMENT**

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VILNIUS, LITHUANIA

**RESULTS REVIEW
AND
RESOURCE REQUEST**

FY 1997

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MAY 1997

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Part I: Factors Affecting Program Performance and Close Out Plan

There are several important factors that have affected program performance and these factors are expected to continue to shape the direction of the remaining years of the US assistance to Lithuania. First, 1996 marked a major shift in strategic focus for the assistance program from enterprise level activity and legal reforms to working in fewer strategic areas with a prominent effort in leveraging structural policy changes. While this program was notionally approved in the Spring of 1996, the summer and fall were devoted to putting in place the major contracts and cooperative agreements required to provide a senior level policy team. Progress on country and USAID's contribution to reform could not be expected to be in stride until the second quarter of FY 97. Second, in November, a new conservative government was elected in Lithuania and sweeping changes were promised during the campaign. The new GOL policies reflect a major commitment to economic reform consistent with the USAID strategy in fiscal and financial areas, while a major new thrust in energy reform was initiated. However, the new government has had a series of organizational problems in the early start-up and some policy directions that make it unlikely that success will be achieved as the USAID strategy was designed in 1996. Finally, the type of policy reforms that are being tackled are difficult, complex, and laden with significant hurdles. While USAID/Vilnius believes we are focused on the right issues, the rate of progress for reform is likely to take two to three years, which is longer than the current approved program time frame. Close out plans have been prepared, but this plan reflects the need to extend work in four strategic areas as fully described in the proposed Modified Strategic Plan (Annex 1).

1. The Macroeconomic Setting for Transition

Since Independence, Lithuania has registered impressive progress towards building a democratic, market-oriented economy. Prices and most markets have been liberalized and now respond largely to the forces of supply and demand. Voucher privatization has put residences, agricultural land and small businesses into the hands of the private sector. Inflation has been tamed, largely by clawing back public spending and by diligent adherence to a fixed exchange rate and a currency board monetary arrangement. Investment regulations have been crafted to promote both private and foreign direct investment. Trade flows have shifted from eastern to western markets, facilitated by bilateral and multilateral trading agreements.

From 1990 to 1996, Lithuania struggled to restore macroeconomic stability. Inflationary pressures were severe, public revenues collapsed, and government had to borrow large amounts from concessionary lenders and compress public expenditures to meet import demands. The output collapse was particularly severe with GDP in 1993 just over one-third of that reported in 1989. Unemployment remained low, but this reflected mainly a fall in female labor participation, scant unemployment benefits and little progress in reducing over-employment in Government and the large public enterprises. With falling output and high inflation, living standards deteriorated, with pensioners and female-headed households

bearing the brunt of the economic downturn. By 1996, more than half of average household expenditures were used to buy basic foodstuffs. Close to a third of the population is reported to have incomes below the poverty-line.

Table 1: Selected Economic Indicators, 1991-1996

Indicator	1991	1992	1993	1994	1995	1996
GDP/NMP (percent change)	-13.4	-37.7	-24.2	1.0	3.0	3.6
Consumer Prices (% change)	224.7	1,020	410.4	72.1	39.6	13.1
Real Wages (% change)	-19.9	-17.2	-45.3	20.6	5.4	6.0
Broad Money (% change)	162	351	124	64	33	-2.4
Credit to the economy (% change)	128	532	165	106	-49	-11.7
Unemployment rate (%)	0.3	1.3	4.4	3.8	6.6	6.2
Trade Balance (\$ mill)	1,814	101	-294	-307	-358	-490
Wages (USD/mo)	N/A	15	42	81	129	175
Current Account (% GDP)	10.6	5.6	-9.5	-3.2	-2.5	-8.7
Gov't Revenue (% GDP)	41.4	32.1	28.5	24.6	24.0	22.5
Gov't Expenditure (% GDP)	38.7	31.3	33.4	29.3	27.0	25.7
Fiscal Balance (% GDP)	2.7	0.8	-3.1	-4.2	-3.4	-3.2

note: 1995 figures are preliminary and 1996 figures are estimates.

Source: IMF (1995 and 1996), Ministry of Finance, Bank of Lithuania, and Starkeviciute (1996).

Lithuania's economy began to show some first tentative signs of recovery in 1994. From 1994 to 1996, GDP grew by an average of 2 percent per annum. Export growth and services sector activity led the recovery, with transport and entrepot services (through the Klaipeda port) experiencing the most rapid growth. In agriculture and industry, performance has been more mixed. Only about a third of the manufacturing firms have restructured output to meet western demands. In agriculture, the restructuring process has yet to begin in earnest and only a handful of agro-enterprises are financially viable. Cash-based privatization of the larger enterprises was started in 1995, but no meaningful progress has yet been made. Some reforms have been made in the commercial legal area, although both Lithuania's commercial laws and capacity for effective and objective adjudication are limited.

At the beginning of 1996, there was a decided risk that Lithuania's economic recovery was becoming derailed. In late 1995, the Joint-Stock Innovation Bank and the Litimpeks Bank both were closed down. This triggered capital flight and a flight from the Litas (the national currency). Revenue collections fell sharply and enterprises prepared for a year of tight credit and inflationary upsurge. Financial market scandals prompted the removal of both the Prime Minister (Adolfas Slezevicius) and the BOL Governor.

Astute macroeconomic management helped to stave off economic collapse, but couldn't salvage the political fortunes of the ruling LDDP party. For the year, economic growth continued, the rate of inflation came down, unemployment levels were reduced and the fiscal deficit was not terribly out-of-bounds. Growing consumer demand and an investment-upsurge late in the year triggered a widening of the trade deficit, and generated concern that Lithuania's external payments would come under pressure. Despite a temporary disruption of payment arrangements in early-1996, the Government continued to operate the currency board, allowing Lithuania to maintain a fully convertible currency.

Lithuania's economic growth and reduction in inflation are poor measures of transition progress since they mask the limited progress made to address the nation's structural weaknesses in public finances. Public finance imbalances have, in turn, contaminated efforts to restructure the large enterprises, to eliminate energy subsidies (and payment arrears) and to develop a viable commercial financial system. Government revenues fell from 41 percent of GDP in 1991 to 23 percent of reported GDP in 1996. By 1996, gray (or hidden) market economic activity was reported to be close to half of all economic activity, suggesting that actual revenue collections were closer to 12-13 percent of actual GDP. Public expenditures were sharply compressed between 1993 and 1996 by slashing public investment, by capping civil service salaries and by holding pension and other transfer payments to a level well-below the rate of inflation. Still, Government expenditure requirements remained well in excess of available domestic revenues. To meet these obligations, Government borrowed heavily and resorted to quasi-fiscal spending. As a result, Government's domestic borrowing has crowded the private sector out of the thin domestic financial markets, official external debt has risen rapidly to 26 percent of GDP in 1996 and the deficit remains stuck in the range of 2-3 percent of GDP. More importantly, Government's quasi-fiscal expenditures,

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such as holding utility prices below the cost of production, the buildup of energy arrears and directing commercial bank credit towards distressed public enterprises, distort the investment environment and hinder the sustained transition to a competitive market setting.

Popular discontent in the handling of the economy resulted in a change in government in the November 1996 national elections. The new Government pledged to accelerate the transition to a market economy, facilitate private investment, solve the problems of public finance and to combat corruption and organized crime.

Lithuania now stands at a crucial juncture in its transition process. National leaders must **tackle many of the most complex and contentious transition challenges**---rebuilding public finances, restoring confidence in the domestic banks, privatizing the large scale enterprises (including the large energy utilities), eliminating energy subsidies, building a well-functioning commercial law system and rationalizing the public pension system. Failure to make progress in this set of transition reforms could cause Lithuania to lose macroeconomic stability and would undoubtedly derail private investment and growth. Lasting progress in these areas will not be easy to achieve. Administrative competence in the core economic ministries is limited, and the Government faces a reform agenda that is, by any measure, no less than daunting (see Annex 1).

2. Democracy Trends

Democratic reforms have been extensive in Lithuania. The protection of basic human rights has been established, guarantees of free speech are in place, and free and fair elections have been held. Since 1991, peaceful transitions of power have taken place after each election, with power shifting from the right, to the left, and very decisively back to the right again in the 1996 Parliamentary elections. While democratic freedoms largely comparable to Western Europe are in place in Lithuania, *the NGO sector is seriously constrained by key structural and functional weaknesses which constitute a major impediment to Lithuania's emerging democracy.*

NGOs, while relatively abundant, are fledgling, and maintain a low profile. *Effective civil participation of NGOs remains the weakest unfinished element of institutionalized democracy in Lithuania.* With rare exceptions, NGOs play a limited role in public debate on policy and decision making. Legislation and tax policy are still barriers to NGO growth. Technical and management constraints are systemic and financial viability is not anticipated for the majority of NGOs. The Prime Minister has recently appointed an advisor for NGO affairs and the support for NGO needs may improve.

Decentralization and public administration reform have not been a high priority for the GOL, although an active public debate regarding local community empowerment has recently begun. Structural reform to strengthen the independence of the judiciary is limited, constitutional and civil law reforms are still needed, but the current transition process is well underway. A complete transformation of the judiciary can be expected through training over the next ten years.

In summary, economic progress has been generally good (see results sections) in the key areas of the USAID assistance program (fiscal and financial reform), mixed results in the areas of the policy environment for enterprise development, and new policy direction in the energy sector suggests that a more rapid level of progress can be expected over the next few years. Democratic reforms at the structural level are superior, while the depth of democratic reforms as evidenced by the weak non-government organization sector, continues to struggle, although some excellent NGO models have emerged during this stage of transition. The highest degrees of economic progress are at the macro economic level (decreasing inflation, GDP growth is good, unemployment is not excessive) but privatization, a shallow banking sector, no experience in managing monetary policy and severe tensions in fiscal stability threaten to undue good economic progress. The institutional capacity of the key fiscal and financial institutions is worrisome to the heads of these institutions, domestic specialists, and foreign experts. There is a need to complete needed reforms and consolidate the institutional gains to ensure that sustainability in the economic and democratic arenas are complete.

3. Close Out Plan

Lithuania is making significant progress in a number of areas and USAID assistance can be closed out with continued progress in several key areas. The program can be closed successfully if an additional year of programming funds is provided. A graduation from assistance with FY 99 as the final year of funding for economic activities is consistent with the SEED Act to provide short-term support to countries during their transition to fully democratic and free market societies.

By the proposed final year of obligation in FY 99, the United States will have provided about \$65 million in technical assistance, training, and grant funds to Lithuania. In the remaining three years of program activities, the emphasis will be to assist the Government of Lithuania to complete crucial economic policy reforms in three areas by ensuring that the U.S.-funded activities meet their program objectives and to establish a Baltic Regional foundation that will develop the capacity of the non-governmental sector to help sustain gains achieved in the democracy and economic sectors. We also envision the foundation to serve as a US legacy in the Baltic Republics. The number of activities will decline from the FY 95 level of 55 to 8 in FY 99. Specifically, USAID will accord priority to:

- **furthering the economic transformation:** by putting public finances on a sound footing, assisting government to manage central bank monetary and exchange rate policy, and removing fuel subsidies and facilitating the privatization of the energy complex
- **supporting development of civic society:** by endowing a foundation that will:
 - 1) strengthen the capacity of NGOs to promote the expansion and deepening of gains achieved in the economic and democracy sectors of the Baltic Republics and 2) serve as a US legacy in the region.

This close out plan describes the priorities, monitoring and reporting requirements for the successful completion of the US bilateral assistance program in Lithuania.

Priorities during close out: There are several areas considered crucial to consolidating and sustaining Lithuania's economic and democratic reforms. The highest priorities of the US assistance program in the remaining years are to assure that viable, sustainable institutions and policies have been created in each area and the efforts are launched to replicate or spread these new policies and technical and management innovations. While economic progress has been achieved in many sectors, several crucial near-term, economic restructuring challenges remain:

- **overcoming the revenue collapse:** Efforts in this area are crucial to ensure a stable government budget and fiscal control and sufficient revenues for priority GOL programs.
- **overcoming the banking collapse:** Efforts are needed to provide a clear monetary policy, ensure the stability of the commercial banks, and continue to maintain a check on inflation.
- **overcoming public sector interference in enterprises:** The Government's new policy to privatize the remaining major enterprises is crucial to future growth and to facilitate restructuring, enhance competition and broaden foreign investment opportunities.
- **underpricing energy:** energy tariffs remain about a quarter below costs and privatization and liberalization of energy prices remain a key to growth, enterprise restructuring, and reducing public debt.
- **ensure that citizen participation is achieved** and the stability of non-government organizations is maintained during the transition process.

The four priorities for US assistance during the close out phase are:

- **Improve Fiscal Management:** To correct deficiencies in government policy and practices, USAID will focus assistance to achieve the following results: 1) fiscal policy is sound, a treasury system is in place, and government budgets closely match revenue flows,
2) budget management capacity is in place at the Ministry of Finance, 2) tax policies are fair, simple, and broad based and the Ministry of Finance has the capacity for economic analysis of tax policy, and 3) tax administration capacity is professional.
- **Strengthen the Financial Sector:** To achieve a more stable financial environment, USAID will focus on achieving results to: 1) restore confidence in the banking system, maintain stability in the currency after the currency board is ended, establish a strong capacity in monetary policy, bank policy, and bank supervision at the Central Bank, privatize one state bank, effectively utilize the collateral law and supporting systems; and

2) strengthen the capital markets, implement continuous trading, ensure creation and use of regulatory oversight structures and supervision, shift the capital markets from passive investment to attract foreign capital, and provide for a transparent stock exchange that can absorb 800 soon-to-be privatized companies.

- **Improve Energy Policy Reform and Safety:** To achieve a more stable and safe energy supply for Lithuania will require continued reform. USAID assistance at graduation will have achieved: 1) a sound decision regarding the relicensing of the Ignalina Nuclear Power Plant, 2) price reform, energy sector restructuring, and implementation of regulatory reform methodologies so that energy prices are set at least at 95% of the full cost of production, 3) the Energy Pricing Commission has the capacity to recommend economically sound energy tariffs, and 4) enhanced and self-sustaining Baltic energy cooperation with a least-cost plan is developed for alternative energy sources in the Baltic Republics.
- **Sustain Citizen Participation:** To assure effective and enduring civic participation, a foundation will be established to improve the environment for non-governmental organizations and to strengthen NGO capacity to represent issues to their constituency and the interests of their constituents to the government. The final years of the bilateral program will focus on stimulating policy reform in business development, economic reform, women's employment, and social services. A sustainable NGO role in society requires a relatively long time period of assistance but does not require an in-country USAID presence.

Selected special initiatives which were started with FY 94-97 funding will be completed during FY 97 and FY 98 including 1) **improve access to markets and trade policies**, 2) **regional environmental monitoring**, 3) **enterprise development**, 4) **English Language Training**.

The program will be reduced from 55 separate activities in FY 95 to 15 integrated activities in FY 97, 11 in FY 98 and 6 in FY 99. The activities in FY 99 are concentrated in the four strategic objectives and represent reaching closure on crucial activities. No new sub-activities will be started after FY 97. The key activities which are tracked at the Intermediate Results Level will be:

1. Fiscal policy reform in broad fiscal policy and budget management
2. Fiscal policy reform in tax policy
3. Financial sector reforms in the central bank
4. Financial sector reform to establish a viable capital market
5. Energy price and regulatory activities and licensing of Ignalina Nuclear Power Plant
6. Establishment of a Foundation for NGO development

FY 99 is proposed to be the last year of obligation of SEED Act funds in Lithuania for bilateral activities. The USAID office will close by June 2001 and the last direct hire will

leave by the fall of 2000. The Foundation is proposed to receive its initial funding in FY 98 and FY 99. We propose that the ENI Bureau investigate the feasibility of supplementing the current planned funds for the Foundation through reflows from the Baltic American Enterprise Funds. Annex 2 contains a full listing of the current activities and planned close out dates.

Documenting the results of the U.S. assistance efforts: USAID/Vilnius will document the results of the U.S. assistance efforts to identify lessons learned about assistance efforts in countries in transition, identify program impacts, illustrate the achievement of program objectives for other donors which will facilitate the timely transfer of activities to counterparts and donors, and record progress in economic and democratic reforms. The main activities are:

- routine reporting through the MRS and R4 process
- annual macro-economic analysis of trends and progress (started in FY 96)
- recruiting an evaluation and program development specialist in FY 97 to develop an evaluation program
- selected program evaluations (Nuclear Safety Assessment Report-1996; enterprise sector-1997; environment-1997; tax policy-1998; bank policy-1998)
- Democracy Network evaluation (1997 and 1999)
- a directory of participants in training and technical assistance to serve as a reference for Lithuanian officials and Parliamentarians
- a series of impact reports.

The close out period proposed permits the orderly phase out of second priority activities in CY 97/98, permits USAID to focus on policy dialogue in three crucial areas between FY 97 and 99, ensures that the design and initial start up of a regional democracy foundation will be completed in a careful manner, and facilitates the preparation for a successful series of graduation activities. The time frame permits USAID to document the successes and impacts of the program, even with a reduced level of support from ENI technical offices.

Part II: STRATEGIC OBJECTIVE RESULTS REVIEW

The results review are for strategic objectives and special initiatives approved in the 1996 Strategic Plan. Each section contains a narrative analysis of the progress in Lithuania, performance of US implementors and their contribution to the countries progress, expected progress in 1997-1999, a rating of the strategic objective, summary performance data tables for the last year, and **modified performance data table for graduation**. The sections are: Strengthened Fiscal Management (S.O. 1.2), Improved Policy Environment Conducive for Private Sector Growth (S.O. 1.3), A More Stable Financial Environment (S.O. 1.4), Increased, Sustained Collaboration of NGOs and Local Government to Develop Policies and Services which Reflect Community Interests (S.O. 2.1), Cross-cutting Programs and Special Initiatives: 1) Reduced Dependence on Ignalina Nuclear Power Plant, 2) Regional Environmental Monitoring,

3) Improved Enterprise Capacity, 4) Participant Training Project for Europe, 5) English Language Fellow Program (USIS), and 6) Regional Rule of Law (DOJ/CEELI).

Strengthened Fiscal Management (S.O.1.2)

Fiscal policy in Lithuania remains one of the major obstacles for the creation of a favorable environment for business growth and economic stability. From 1990 to 1996, revenues collapsed and the Government instituted a number of ad-hoc measures to raise tax collections and improve administration. As a result, the existing tax system is characterized by a high degree of evasion and avoidance, a large number of tax exemptions and holidays, relatively high nominal rates of personal and social-benefit taxation, and an accumulation of arrears and penalties by a large share of tax payers. Though the former Government (through October, 1996) made numerous attempts to simplify the tax system, remove or limit certain exemptions, enhance enforcement and improve collections, progress was very slow. Lithuania's exemption-riddled and punitive tax system is driving a large part of the economy underground. The amount of economic activity that is considered to be "gray market" in Lithuania is not known with any certainty but is variously estimated at between 40 and 50 percent of total output.

Public spending is also problematic. A high share is used for civil service wages and transfer payments. There is very little public investment; spending on the social sectors is both inadequate and poorly linked to priorities; public pensions are paid well below poverty-levels and to an excessive number of beneficiaries; municipalities have been assigned spending priorities without an adequate funding base; and government budget control and oversight is weak. With spending obligations exceeding revenue capacity, the Government has rapidly accumulated public debt and has resorted to quasi-fiscal outlays (directed bank credit and the buildup of energy arrears) to augment the budget.

The current administration was elected in October, 1996 on a platform that called for improved management of public expenditures, an overhaul of Lithuania's tax system, increased vigilance against tax evasion and avoidance, and greater caution in expanding public debt. At the same time, the new administration made many promises to provide tax breaks to business to stimulate economic activity. In the initial aftermath of the elections, the Government did adopt a tight expenditure stance but has subsequently prepared many laws aimed at providing new investment incentives, preferential tax breaks for small enterprises, and government credit guarantees. At the same time, under new and well-respected leadership in the Ministry of Finance, there are other proposals to simplify the current tax system, to remove or limit exemptions and to enhance fairness and transparent collections. In this flurry of tax reform efforts, the Government has yet to assess the revenue or economic impacts that such changes may inspire.

USAID has supported a number of critical efforts aimed at rationalizing the tax system and broadening the tax base, and improving the efficiency and effectiveness of public expenditures. That the tax system was a proximate cause of the underground economy and an

impediment to modern business activity was brought home to policy makers in a series of public seminars sponsored by a USAID grantee, the Lithuanian Free Market Institute. To help broaden the tax base, and with a USAID advisor, a new personal income tax law and an enterprise income tax law were developed and approved by Government in late 1996. These drafts, while still under review by Parliament, provide a clearer definition of income, reduce the number of exemptions and unify rates for corporate and household income tax. Also, with the assistance of a USAID tax advisor, concessionary VAT rates for a number of goods (food and petroleum products) were eliminated.

In recognition of the need to provide a more system-wide overhaul of the tax system, a new USAID tax policy project was started in January, 1997 and is being implemented through a contract with Harvard Institute for International Development (HIID). The project is aimed at strengthening the Ministry of Finance's capacity to analyze and assess alternative tax policies, develop viable tax policy recommendations that will increase the effectiveness of the tax system, enhance transparency and reduce compliance costs to both Government and tax payers.

A concerted effort has also been made to improve tax compliance. The US Treasury's tax administration project has focused on increasing tax collectors' skills through a series of seminars on collection techniques, indirect methods of audit, criminal investigation, taxpayer service, and other topics. Another activity - "Train the trainer" program - is aimed at developing sustainable human resource development capacity after the Treasury program is completed. A notable accomplishment of this program was the reorganization of tax inspectorates along functional lines. Reorganization of the Kaunas (second largest city) tax inspectorate was chosen as a pilot project and after completion of the reorganization, tax collections in Kaunas increased considerably. The percentage of planned and collected taxes (95%) in Kaunas is the highest of any office in Lithuania. A second major accomplishment of this effort was the admission, by the new Government, that the system of rewarding tax collectors with a share of tax fines and penalties was distorting collection incentives and rewarding corruption. A new tax administration bill was passed which eliminates such collection-incentive payments.

In terms of improving public expenditures, the U.S. Treasury has helped the Ministry of Finance establish the core of a treasury operation within the Ministry, which has helped consolidate funding control. A cash-management system has been set-up and has linked short-term cash availability with public sector treasury bill operations. Given a number of revenue-shocks in 1996, the cash-management system has helped the Government avoid the buildup of wage, pension and other public expenditure arrears that have so badly undermined confidence in fiscal policy in other CIS republics. With the assistance of the US Treasury, Lithuania has also been able to secure a near-investment grade credit rating from two international rating services. This has helped the country improve access to international capital markets. Also, the US Treasury has provided the Ministry of Finance with specific advice on expenditure management options during the revenue collapse in early 1996, halting what could have well developed into a financial panic.

Future assistance to strengthen fiscal management is aimed at a number of objectives. First, by the end of FY98/99, a tax system will be put in place that is conducive to private sector development and also mobilizes sufficient revenue, in a fair and equitable fashion, to meet the needs of the public sector. As the tax system "settles" and becomes less onerous to the enterprise sector, it is expected that private investment will increase and that a great deal of what is now underground economic activity will come into the formal economy. As a result, there will be

both a boost to reported GDP (as hidden economic activity is then reported as official economic activity) and to revenue collections. By 1998/1999, Government revenues are expected to be in the range of 30 percent of GDP, a figure comparable to that of the rapidly growing East Asian economies and the USA.

As the revenue situation improves, there will be scope for more effective and efficient public expenditure policies. USAID's assistance in budgeting is aimed at improving the link between public expenditures and performance of Government agencies and of publicly sponsored undertakings. While this is not expected to yield immediate economic benefits (because of the lags between improved public expenditure performance and the complementary impacts in private investment and productivity), it is expected to enhance fiscal credibility and to help address the backlog of problems associated with faulty budgeting, such as the need for frequent budget revisions, the large gaps between budget and actual expenditures and the imbalances between capital and current spending.

For Lithuania, fiscal policy is the single most important instrument that Government has at its disposal for influencing economic development. During the transition, Government has not been able to forge a solid link between fiscal policy and a national development strategy because of the need to stabilize the financial system. With USAID's assistance, the leadership of the Finance Ministry will be able to play a more active role in ensuring that economic policies are broadly correct, that the fiscal strategy is linked to clear development objectives and that the Government's external and domestic borrowing strategy is sustainable and serves to crowd-in private investment.

After USAID assistance in tax policy is completed in two or three years, we envision that a tax system conducive to private sector development and efficient mobilization of sufficient revenue to meet the needs of public sector, will be in place. After completion of USAID assistance in budgeting, links between public expenditures and performance of Government agencies will be improved, fiscal credibility will be enhanced, and problems associated with faulty budgeting, such as large gaps between budget and actual expenditures, imbalances between capital and current spending, and the need for frequent budget revisions, will be addressed.

Overall, progress in SO 1.2 has been mixed. The Ministry of Finance's commitment to reforms is much more favorable now than a couple of years ago. However, many reforms have not started yet, though they are under discussion and understood as urgently needed. Overall, for these reasons, USAID/Lithuania gives this SO a performance rating of two.

OBJECTIVE: 1.2 STRENGTHENED FISCAL MANAGEMENT

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: S.O. STRENGTHENED FISCAL MANAGEMENT

INDICATOR: TAX REVENUE AS A PERCENTAGE OF OFFICIAL GDP

UNIT OF MEASURE: PERCENT

SOURCE: MINISTRY OF FINANCE

INDICATOR DESCRIPTION: REPORTED GOVERNMENT TAX REVENUE DIVIDED BY GDP

COMMENTS: GOVERNMENT REVENUES WERE OVER 41% OF GDP IN 1991 AND HAVE FALLEN STEADILY THROUGH 1996. GOVERNMENT POLICY AIMS BOTH TO RAISE THE SHARE OF REVENUES IN THE REPORTED GDP AND TO ELIMINATE HIDDEN ECONOMY ACTIVITY (AND SO EQUATING REPORTED AND ACTUAL GDP)

YEAR	PLANNED	ACTUAL
1995	BASELINE	24%
1996	24%	21%

OBJECTIVE: STRENGTHENED FISCAL MANAGEMENT

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: SO 1.2.4. TREASURY FUNCTION IS IMPLEMENTED

INDICATOR: TREASURY SUB-SYSTEMS OPERATIONAL

UNIT OF MEASURE: NUMBER OF MINISTRIES LINKED TO THE SYSTEM

SOURCE: MINISTRY OF FINANCE

INDICATOR DESCRIPTION: SPECIFIC ELEMENTS OF TREASURY SYSTEM ARE IMPLEMENTED

COMMENTS: ESTABLISHING A TREASURY AND LINKING DIFFERENT MINISTRIES TO IT WAS ONE OF THE KEY CASH-FLOW MANAGEMENT INNOVATIONS OF THE MOF IN 1996. WHILE PAYMENT ARREARS (MAINLY ENERGY) CONTINUED, WAGE AND PENSION PAYMENTS WERE NOT DISRUPTED, ALLOWING GOVERNMENT TO CONTINUE OPERATING ESSENTIAL SOCIAL SERVICES DURING THE 1996 BANKING CRISIS.

INSERT CLOSE OUT PERFORMANCE DATA TABLES FOR SO 1.2 HERE

TABLE 2 : PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 1.2: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.2	Strengthened Fiscal Management	1. Tax revenue as a percentage of official GDP	Definition: Reported government tax revenue divided by GDP. Unit: Percent	1995	24.0%	24.0%	21.0%	26.0%		29.0%		31.0%		33.0%	
IR 1.2.1	Tax Policy Reforms are Implemented	1. Level of grey market activity	Definition: Percent of the economy that is not accounted for in official government statistics. Unit: Percent	1995	50%	48%	45%	40%		33%		29%		25%	
IR 1.2.2	Improved Tax Administration	1. Level of arrears to total tax collections	Definition: Amount of taxes and fines owed by companies to the MOF divided by the amount of taxes collected Unit: Percent	1995	17%	10%		8%		6%		5%		4%	
IR 1.2.2	Improved Tax Administration	1. Level of uncollected taxes	Definition: Delinquent taxes divided by expected tax collections. Unit: Percent	1995	70%	50%		45%		40%		35%		30%	
IR 1.2.2.2	Improved Tax Administration	2. Level of tax arrears	Definition: Tax arrears divided by GDP. Unit: Percent	1995	45%	24%		21%		18%		15%			
IR 1.2.3	Improved Public Debt Management	1. Effective monitoring of external and domestic obligations	Definition: Ministry is evaluating obligations and making well thought out decisions concerning them Unit: Yes/No	1995	No	No		Yes		N/A		N/A		N/A	
IR 1.2.3	Improved Public Debt Management	1. Investment grade credit rating	Definition: S&P rating Unit: Show actual ratings	1995	No rating	New indicator	BB-	BB		BB+		AA-			

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR1.2.3	Improved Public Debt Management	2. Sustainable accumulation of external debt	Definition: Official debt to GDP. Unit: Percent	1995	15%	25%	25%	28%		32%		35%		37%	
IR 1.2.4	Treasury Function is Implemented	1. Treasury sub-systems operational and used	Definition: Specific elements of the Treasury system are implemented and operational. Unit: Yes/No	1995	System designed, prepared for implementation	Six Ministries linked to the system		Twelve Ministries linked to the system		All Ministries linked and govt deposits securitized					
IR 1.2.5	Improved Budget Process used by the Ministry of Finance	1. Level of capital expenditures	Definition: Government expenditures on capital projects as a percent of GDP. Unit: Percent	1995	1.8%	1.5%		2.0%		2.0%		4.0%		5.5%	
IR 1.2.5	Improved Budget Process used by the Ministry of Finance	2. Ratio of actual expenditures to budgeted	Definition: Actual government expenditure divided by government proposed budget Unit: Percent	1995	N/A	New indicator	81%	85%		90%		95%			
IR 1.2.5	Improved Budget Process used by the Ministry of Finance	3. Performance targets defined for main spending ministries	Definition: Performance targets are what the ministries will accomplish with the resources they are provided Unit: Number of ministries	1995	0	New indicator	0	2		4		6			
COMMENTS/NOTES Financial Data for banking and government revenue is collected for end of calendar year, and is only available no earlier than May 1 of the following calendar year.															

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Improved Policy Environment Conducive to Sustained Private Sector Growth (S.O. 1.3)

Barriers for sustained private sector growth remain in many areas of the economy. This strategic objective was created to address those that cause the greatest distortions to business development and to an efficient allocation of resources: energy pricing, environmental pricing, trade policy and commercial law. As there has been sufficient progress in parts of this objective (WTO accession and passage of commercial laws), no progress in others (trade policy and leasing law) and an increase in need (energy), the Mission will be proposing the creation of an energy strategic objective (SO 1.5) and the dissolution of this strategic objective.

In early 1996, energy prices were 70% of actual cost and prices are set by the GOL. In 1996, the EPC and the Ministry of Social Affairs recommended that thermal energy prices in Lithuania be increased 40%. In the face of elections, the GOL increased the prices by an average of only 25%. As a result, the price of electricity is near actual economic cost, the price of heat is at approximately 80% of cost and the price of gas is at approximately 90% of cost. However, prices for heat are still subsidized and have not kept up with the inflation rate of the past two years. GOL discussions on a law to establish an independent regulatory body for setting and regulating energy prices are ongoing with the World Bank and EU consultants. In 1997, the GOL created an independent Energy Pricing Commission (EPC) to provide autonomous technical assessment of energy pricing, establish the regulatory framework for the domestic energy industry, and introduce measures designed to improve energy efficiency, safety and energy sector service delivery. Five commissioners, headed by a competent expert from the Lithuanian Energy Institute, were appointed to the Commission and 20 staff should be hired in 1997.

USAID assistance to the EPC resulted in the development of price adjustment methodologies for electricity, gas and heat. These methodologies have been approved by the Ministry but have not yet been implemented. In the next three years, USAID will focus on 1) creating a capable regulatory organization to introduce tariff reform; 2) developing an energy sector restructuring implementation plan with input on privatization; and 3) developing a model Central Heating and Power company to carry out restructuring and privatization. At the point of graduation, 1) the Energy Pricing Commission should be a competent, professional body independent from political influences and able to set and regulate prices that reflect economic costs; 2) key regulatory guidelines concerning licensing, the operating code and regulatory compliance will be approved, with input from consumers and other groups, and 3) energy sector privatization and restructuring will be underway. USAID will also continue to involve the Baltic countries in regional regulatory and pricing programs resulting in greater system-wide efficiencies.

During 1996, the Ministry of Environmental Protection focused on improving the legal framework for environmental policy and regulations so that they meet EU requirements. The Law on Pollution Charges was drafted and work on regulations for implementing the revised system was initiated. The Law on Pollution Charges still has not been passed by the Parliament. The Law will be submitted to the Cabinet of Ministers before May, 1997 and subsequently to the Parliament. HIID was instrumental in drafting the Pollution Charges

law, developing economic measures to ensure enterprises and households bear the cost of pollution-related environmental damage, and establishing a Policy Analysis Working Group. This policy group will continue environmental policy assistance after the completion of USAID assistance. During 1997, this activity will be closed out. During close-out, USAID will continue assistance to the MEP to finish and implement the Law on Pollution Charges. Passage of the law will achieve USAID's objective.

Much of the Government's efforts on trade in 1996 were on preparation for WTO accession. This involved review of legal and practical regimes in light of WTO requirements for working meetings (March 96, Oct 96, March 97) which successfully moved accession discussions forward. Additional attention was given to expanding Lithuania's free trade area and on negotiations on membership in the Central European Trade Association. Currently, Lithuania has entered into free trade agreements with 20 countries and as of January 1, 1997 has an agreement with Latvia and Estonia for zero-tariffs on agricultural products. Lithuania's efforts to become a member of WTO is being assisted by Commercial Law Development Program (CLDP). As a result of the CLDP's technical assistance, needed documentation for the working group meetings on WTO accession were completed in full and on-time. This work will be completed by December 1997 and the WTO accession process will be sustainable.

Trade policy related issues are viewed by senior political officials as part of national strategic concerns. Ministry officials are not developing a substantive and in-depth capacity for trade policy reform and analysis. For example, budgetary implications on lowering duty rates, replacing custom duties with VAT on imports, and other interventions are neither systematically analyzed nor under consideration for analysis in the future. Efforts to instill analytic capacity to assess trade developments and policy are frustrated by the lack of an effective institutional home after post election governmental reorganization, when four ministries - Foreign Affairs, European Affairs, Agriculture and National Economy - share responsibility for trade and trade policy issues and claim varying degrees of authority in the process. Consequently, a strong capacity for trade policy analysis no longer seems to be a priority for most ministries. As the four ministries still can not reach a stable set of responsibilities, USAID-Harvard Institute for International Development's (HIID) trade policy project (started in January 1996) is concentrating on activities with middle level government officials in building up their analytical capacity and work on trade promotion related issues. Because of institutional uncertainty and the need to focus on higher priority needs, this activity will be phased out in 1997.

Commercial law reform in 1996 was slowed down by Parliamentary elections which not only took time away from drafting legislation, but also resulted in a new group of Parliamentarians needing information on commercial law issues. The new government, along with the private sector, has moved forward on commercial law issues that the Mission identified as important for Lithuania. Over the past year, the following legal reforms moved forward: 1) The Ministry working group finished and submitted the draft on moveable collateral to the Government in March, 1997. The law should be passed by Parliament during

the spring session. 2) The Government completed and presented the draft Bankruptcy Law to the Parliament. The law should be passed by Parliament during the spring session. 3) The draft Competition Law is expected to be presented to Parliament during the spring session. Passage is expected in the spring or fall session. 4) The law on Commercial Arbitration was passed by Parliament in April, 1996. This resulted in the creation of the Vilnius International Commercial Arbitration Association (VICA) as a non-profit institution. It is the only registered arbitration institution in Lithuania. Also, the major business and commercial groups have come together to establish the Vilnius Institute of Arbitration at the International Chamber of Commerce-Lithuania (the "ICC Tribunal"). When this second body is registered, Lithuania will have two institutions willing to begin alternative, low cost dispute resolution service. 5) Progress was not achieved in the preparation of a leasing law because the Government could not form a group to draft the law.

During 1996, USAID assistance focussed on legal reform in a number of key areas that were developed in cooperation with the ABA/CEELI program. Areas of attention were strengthening commercial and procedural skills of the judiciary, implementing regulations and enforcement mechanisms for four laws and designing alternative, low cost dispute resolution services (ADR).

CEELI successfully helped establish a Judicial Training Center (JTC) in March 1997 with cooperation from other donors (EU PHARE, UNDP, Open Society Fund-Lithuania). Training was provided to 150 new judges in criminal and civil procedure. As the JTC is a new organization, continued assistance will be provided in organizational matters and training programs will be provided through the JTC. This will result in an institution that will effectively utilize resources provided and provide professional training to the Lithuanian judiciary.

In 1996, USAID's strategic objective team identified the bankruptcy law, collateral law, competition law, leasing law, and alternative dispute resolution as the top priorities. Progress was made by the GOL on three of the four laws. The FTC/DOJ program helped finalize the competition law which will be submitted to Parliament in the near future. With the help of a CEELI advisor, the Ministry submitted the final draft on moveable collateral law to the GOL in March, 1997 and it should be passed by Parliament in mid-1997. USAID will cooperate with Norway to help implement a collateral registry system by training judges and lawyers to develop their skills to apply the laws. CEELI's training will be completed by mid-1998. The progress made on the other laws with little or no outside assistance indicates that sustained progress has been achieved and no further USAID assistance is needed. Significant resources were provided to ABA/CEELI to implement this objective, which they helped to prepare. Since the country has demonstrated significant competence without the need for outside assistance, additional funding to CEELI in commercial law reform would not be a wise use of scarce US funds.

In light of the increased attention to energy, mixed progress on trade, and successes on the part of the Government on commercial law reform, this strategic objective will be

eliminated. Energy efforts will be placed under the energy objective, collateral law efforts will be under the financial sector objective, and Judicial Training Center support will be provided through the NGO strategic objective. This change reflects the progress made and the new Government's priorities.

OBJECTIVE: 1.3 IMPROVED ENABLING POLICY ENVIRONMENT CONDUCIVE TO SUSTAINED PRIVATE SECTOR GROWTH
APPROVED: 1996 COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: S.O. 1.3 IMPROVED ENABLING POLICY ENVIRONMENT CONDUCIVE TO SUSTAINED PRIVATE SECTOR GROWTH

INDICATOR: PROGRESS TOWARDS WTO GENERAL NEGOTIATIONS AND LEGAL REFORMS ACCOMPLISHMENTS PER WTO REQUIREMENTS

UNIT OF MEASURE: PERCENTAGE

SOURCE: MINISTRY OF FOREIGN AFFAIRS

INDICATOR DESCRIPTION: PROGRESS AS A PERCENT OF ALL WTO REQUIREMENTS - PERCENT

COMMENTS: THE TECHNICAL ASSISTANCE HELPED THE MINISTRY OF FOREIGN AFFAIRS IMPROVE ITS COORDINATION AND SUBSTANTIVE WORK ON WTO ISSUES. GOOD PROGRESS WAS MADE ON MULTILATERAL RULES AND ISSUES, BUT NEGOTIATIONS ARE LAGGING ON MARKET ACCESS ISSUES. SOME DELAY WAS CAUSED BY THE 1996 ELECTIONS. ACCESSION IS EXPECTED IN CY 1998.

YEAR	PLANNED	ACTUAL
1995	BASELINE	0%
1996	35%	50%

OBJECTIVE: 1.3 IMPROVED ENABLING POLICY ENVIRONMENT CONDUCIVE TO SUSTAINED PRIVATE SECTOR GROWTH
APPROVED: COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: SO 1.3 IMPROVED ENABLING POLICY ENVIRONMENT CONDUCIVE TO SUSTAINED PRIVATE SECTOR GROWTH

INDICATOR: ENERGY INTENSITY IN LITHUANIAN INDUSTRIES

UNIT OF MEASURE: KG/\$ SOURCE: ENERGY INSTITUTE OF LITHUANIA INDICATOR DESCRIPTION: FINAL ENERGY CONSUMPTION OF GDP IN KG OF OIL EQUIVALENT PER US DOLLAR. COMMENTS: THE OFFICIAL GDP OF LITHUANIA GREW BY ALMOST 4% IN 1996, BUT THERE WAS NO INCREASE IN THE CONSUMPTION OF ENERGY. ACTUAL GDP (AND HENCE PROGRESS IN MEETING THE TARGET) IS ESTIMATED TO HAVE GROWN EVEN MORE, SINCE MUCH OF THE GRAY MARKET INCLUDES THE SERVICE SECTOR. PROGRESS IN THIS AREA IS POSITIVE.	YEA	PLANNED	ACTUAL
	R		
	1995	BASELINE	.95
	1996	.90	.91

OBJECTIVE: 1.3. IMPROVED ENABLING POLICY ENVIRONMENT CONDUCTIVE TO SUSTAINED PRIVATE SECTOR GROWTH

APPROVED: COUNTRY/ORGANIZATION:
USAID/LITHUANIA

RESULT NAME: 1.3.1 ELIMINATION OF MAJOR PRICE DISTORTIONS THAT IMPEDE EFFICIENT PRIVATE INVESTMENT AND RESOURCE ALLOCATION

INDICATOR: ACCURATE ENERGY PRICES

UNIT OF MEASURE: PERCENTAGE

SOURCE: ENERGY PRICE COMMISSION

INDICATOR DESCRIPTION: ENERGY PRICES (AVERAGE OF ELECTRIC, HEAT AND GAS) RAISED TO A CERTAIN PERCENTAGE OF ACTUAL COSTS

COMMENTS: IN 1996, THE COMMISSION RECOMMENDED THAT PRICES BE RAISED 40% TO REFLECT ACTUAL COST. THE GOL DECIDED TO RAISE PRICES BY 25%. THIS REDUCED DISTORTIONS AND BUSINESSES ADJUSTED TO THIS CHANGE. THIS IS A DEFINITE IMPROVEMENT AND WITH INCREASED EMPHASIS ON COLLECTIONS, ENERGY SUBSIDIES SHOULD DECREASE.

YEA R	PLANNED	ACTUAL
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199 5	BASELIN E	70%
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199 6	80%	80%
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TABLE 3: PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 1.3: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.3	Improved enabling policy environment conducive to sustained private sector growth	1. Value of exports	Definition: All transit and local product exported Unit: million US dollars	1994	2029	TBD*	2487 (1995)	Indicator does not reflect focus of USAID activities.	Govt priorities are no longer trade policy						
		2. Progress towards WTO general negotiations and legal reform accomplishments per WTO requirements	Definition: Progress as a percent of all WTO requirements Unit: percent	1995	0%	35% September	35% September	50% January	50% January	100% January	Activity to be reported as Special Initiative				
		3. Contribution to GDP by energy-intensive sector	Definition: It is expected that as energy prices increase to reflect actual economic costs, energy intensive sectors will shrink or grow less quickly than the overall economy Unit: percent per year	1995	TBD*	TBD*		TBD*		TBD*	Indicator replaced with the one below (94)				
		4. Energy intensity in Lithuanian industries	Definition: Energy intensity means final energy consumption of GDP in kg of oil equivalent per US dollar** Unit: kg/\$	1995	0.95	0.90	0.91	0.85 Activity moved to SO 1.5		0.80 Indicator deleted as IR focus is different					
		5. Bankruptcy resolution	Definition: Ratio of bankruptcy cases finalized to those that have been filed Unit: percent per year	1995	0%	0%	0%	25%		50%	Bankruptcy law to be passed by mid-1997	Govt making program without USAID assistance			

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		6. Fully operational collateral system implemented	Definition: Law is passed, registry created and people trained Unit: yes/no Milestones achieved	1995	No law	Draft prepared	Draft prepared	Law passed		Registry created and people trained		system implemented	FY 97 is last year of funding	Indicator moved to SO 1.4 under IR 1.4.1.3	
COMMENTS/NOTES * Data to be developed by USAID/Lithuania by October, 1996 ** for EU this unit is 0.22, for Russia above 1.00															

TABLE 11 : PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 1.3: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
IR 1.3.1	Elimination of major price distortions that impede efficient private investment and resource allocation	1. Accurate energy prices	Definition: Energy prices (average of electric, heat and gas) raised to a certain percentage of actual costs Unit: percent	05/1996	70%	80% December	80%	90% December		100% December		Activity and Indicator moved to SO 1.5			
		2. System of environmental pollution charges that allocates costs to those who pollute implemented in Lithuanian regions	Definition: Percentage of Lithuania's 44 regions where the system is working Unit: percent	05/1996	0%	0%	0%	50% September	FY 96 is last year of funding Activity stopped since it is not crucial	100%					

IR 1.3.2	Effective trade policies developed which increase market access	1. Bilateral negotiations for WTO accession and tariff accords initiated	Definition: Progress made towards starting negotiations Unit: yes/no	1995	Not initiated	Preparation completed	Preparation initiated	In progress							
		2. Tariff and subsidy policy systems implemented by GOL ministries	Definition: Unit: yes/no	1995	Not implemented	TBD*		TBD*		TBD*	Indicator does not reflect focus of USAID activities.	Cost priorities are no longer trade policy			
IR 1.3.3	Improved legal framework for commercial activity	1. Number of disputes being resolved using alternative methods	Definition: Alternative methods include small-claims court, arbitration, and mediation Unit: number per year	1995	0	0	0	40		300 Two arbitration groups started work in 1996		750 Progress made without USAID assistance			
		2. Number of loans secured through central registry	Definition: Unit: number per year	1995	0	0	0	0		200 FY 97 is last year of funding		500 Activity moved to SO 1.4 under IR 1.4.1.3			
COMMENTS/NOTES *Data to be developed by USAID/Lithuania by October, 1996															

A More Stable Financial Sector (SO 1.4)

Forging a market-oriented financial market has been a major constraint to transition in Lithuania. The banking sector collapse of late 1995 reversed some progress that Lithuania had achieved, but with sound macroeconomic management, neither the household sector nor the enterprises were seriously affected. USAID Lithuania's efforts have been aimed at formulating the policy and institutional underpinnings of a market-oriented financial system. Despite the problems experienced in the financial markets last year, significant progress has been made in this area.

1996 started with attempts to recover from the December 1995 banking crisis, when two banks comprising 25% of the banking sector were closed down. Ill-conceived laws were passed in the rush to resolve the crisis and the Prime Minister and the Central Bank Governor left office because of their involvement in the crisis. T-bill rates soared from 15% in November 1995 to almost 40% in February 1996. Deposits in all banks fell (capital flight accelerated) as there was no clear indication of which banks are safe. Inter-banking lending disappeared and banks reduced the amount of loans given out. In the midst of this situation, another small bank (Commercial and Credit) was closed down and the Bank Supervision Department began to inspect the State Banks. Results from the examinations indicated grave problems at the State Commercial Bank, leading to removal of the Board, selection of an administrator and a drop in deposits at the bank.

After the first quarter of the year, the banking system began to recover. The stronger banks quickly distanced themselves from the weaker ones - they increased deposit and asset levels and were successful in attracting investors, both foreign and domestic. Three banks are now majority foreign owned. Litimpex bank (one of the two closed down in December 1995), upon meeting Central Bank financial requirements, was allowed to reopen in June. The Parliament passed a law allowing foreign banks to open branches and one such bank (Kredyt SA from Poland) received such permission in the fall. Also, the Bank of Lithuania required that all banks begin to operate based on International Accounting Standards (IAS) as of January 1, 1997.

Parliamentarian elections in November brought in a new government that immediately indicated its plans to dismantle the currency board. In the wake of devaluation fears, capital flight picked up. Initially the new Government was slow to react to these developments, as there was not a strong understanding between public statements market impacts. However, the Prime Minister clarified his remarks and the Government and the Central Bank then promised that no new changes would occur soon. In support of this, the Central Bank prepared a strategic plan for the next three years showing how it plans to leave the currency board but keep a stable exchange rate. This plan appears to meet the concerns of all outside parties, but its use as a strategic document is unclear. Also, the capacity of the Central Bank to form and implement policy decisions remains severely underdeveloped as a result of the currency board which removed the need for most policy making from the Central Bank.

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In some ways, the problems in the banking sector were a benefit to the stock market. Inflation fell sharply towards the end of 1996 and so did interest rates. As a result, investors shifted their portfolio first to T-bills and then to the equities market. This was encouraged by various changes at the Stock Exchange: three indices on the market were developed, helping to track progress and the trading system was opened up allowing brokers to adjust their bids to ensure a higher probability of a match-up. Foreign investment, especially from the other Baltic countries and Scandinavia increased. An estimated \$100 million of foreign investment came to Lithuania through the capital markets in 1996. The Stock Exchange went from weekly trading to twice per week trading to daily trading by the end of the year. It also began to stratify companies based on their liquidity, financial reporting and equity levels. An 'A List' and 'B List' were formed with approximately 30 companies each. There are another 400 companies registered with the Exchange, some 200 of which were traded during the previous year.

The Securities Commission continued to pass and implement regulations to ensure the safety and soundness of the market. Several brokers which did not meet capital requirements were forced to close down. Voucher Funds (formed during the voucher privatization program) are being re-registered as mutual funds or investment companies, with the expected result of better regulation of their operations and increased protection for the investor. A continuing struggle for the Commission is to keep abreast of market developments and regulate them properly without choking off the market. Activities at the Commission came to a standstill in February 1997 when the Chairman was appointed Minister of Finance. It has resulted in changes in the Commission's operations and more delegation to department heads.

USAID had substantial involvement in both the banking and capital markets area during 1996. This led to impacts in several areas and also set the foundation for work in 1997. At the Bank Supervision Department, as a result of USAID assistance, examinations are done more quickly, they are of high quality, and the methods to complete them have been standardized. In 1996, the Bank Supervision department completed the first cycle of bank examinations and will finish the second round in half the time (one year). Examinations are being professionally in accordance to international criteria and the results are being used by the Central Bank as a basis to close down banks, appoint administrators and limit operations. The Department completed its examination manual and is using it for training and inspections. The final stage of assistance (through June 1998) will complete the integration of the manual into the Department's daily operations and introduce the examiners to evolving examination procedures including leasing, bank brokerages and credit union examinations.

Following the crisis, the Government decided to form an Asset Management Bank (Turto Bankas). Advisors worked to develop standards for transfer of bad loans from insolvent banks to this bank. Although this process has been riddled with political interference, the actual transfer of bad loans is expected to allow the insolvent banks to restructure and prepare for privatization. Through its partnership with the U.S. Treasury, USAID also placed a senior advisor at the Central Bank. This was in response to the Government of Lithuania's and Bank of Lithuania's commitment to a sound banking policy and monetary

policy. The advisor arrived in January 1997 and has started to help the Central Bank to review its strategy and examine its policy making procedures. It is estimated that this effort will require three years to achieve a clear set of policies, procedures for policy development and implementation, and sufficient independence to carry out Central Bank functions in a proper manner.

In the capital markets area, USAID worked primarily with the Stock Exchange and the Securities Commission. At the Exchange, the advisors assisted to open the trading system to allow for better price information and transparency of price setting which resulted in liquidity rising from negligible levels at the start of the year (\$400,000/month in the first quarter) to \$5 million/month in the fourth quarter. Other accomplishments were to develop three indices to measure market movements and to implement daily trading of top companies. Future assistance to the Exchange (through December 1998) will result in a continuous trading system, revised trading rules for continuous trading and development of a market surveillance function to improve the review of broker activities. At the close of assistance, the Exchange will have the technical and informational capacity to meet customer needs and safeguard investor rights. This work will also assist in the privatization of 800 Lithuanian companies through the Exchange.

At the Securities Commission, USAID advisors helped draft the Securities Law which replaced a series of temporary orders and set the foundation for the operations of the Securities Commission and the capital markets as a whole. In addition, a capital adequacy rule was presented to and adopted by the Commission. This rule led to the closing of some brokers, helping to ensure that only sound brokerages are operating in the market. In the area of Investment Companies, USAID helped to prepare rules on asset valuation of investment companies, licensing management companies and issuance and revocation of investment company permits which were adopted by the Commission. As a result, these companies are making their operations more transparent to shareholders and reorganizing under Lithuanian law. Assistance to the Commission (through September 1999) will result in clear regulations on investment company operations, professional surveillance and monitoring of broker operations, and regular and transparent disclosure of financial statements.

The Mission had solid success in achieving its targets for 1996. Although the banking sector remains shallow, confidence is starting to increase. Capital markets are experiencing growth, but regulation must keep up. Clearly, progress is still fragile in both the banking and capital markets areas. Strong efforts will be needed in the 1997 - 1999 period to ensure that reforms continue and that new crises do not sweep away the progress that has been made. Overall, USAID Lithuania gives this S.O. a performance rating of two (indicating solid but fragile progress), for the reasons stated above.

OBJECTIVE: 1.4 MORE STABLE FINANCIAL ENVIRONMENT APPROVED: 1996 COUNTRY/ORGANIZATION: USAID/LITHUANIA			
RESULT NAME: A MORE STABLE FINANCIAL ENVIRONMENT			
INDICATOR: REAL INTEREST RATES			
UNIT OF MEASURE: PERCENTAGE SOURCE: BANK OF LITHUANIA MONTHLY BULLETIN DECEMBER 1996 INDICATOR DESCRIPTION: CALCULATED BY TAKING THE AVERAGE NOMINAL INTEREST RATE FOR DOMESTIC CURRENCY TIME DEPOSITS AS REPORTED BY THE CENTRAL BANK AND SUBTRACTING ANNUAL INFLATION COMMENTS: INFLATION FOR 1996 WAS LOWER THAN EXPECTED WHILE AT THE SAME TIME, DEPOSIT RATES HELD STEADY, INSTEAD OF FALLING AS EXPECTED AS BANKS BEGAN TO OPERATE WITH SMALLER MARGINS.	YEAR	PLANNED	ACTUAL
	1995	BASELINE	-16%
	1996	-15%	+1.1%

OBJECTIVE: 1.4.1 MORE STABLE FINANCIAL ENVIRONMENT APPROVED: 1996 COUNTRY/ORGANIZATION: USAID/LITHUANIA			
RESULT NAME: INCREASED CONFIDENCE IN THE BANKING SECTOR			
INDICATOR: LEVEL OF LONG-TERM TIME DEPOSITS			
UNIT OF MEASURE: PERCENT SOURCE: BANK OF LITHUANIA MONTHLY BULLETIN DECEMBER 1996 INDICATOR DESCRIPTION: PERCENT OF TIME DEPOSITS THAT ARE FOR LONGER THAN THREE MONTHS COMMENTS: INCREASED STABILITY IN THE BANKING SECTOR ENCOURAGED PEOPLE TO PLACE SAVINGS IN BANKS FOR A LONGER PERIOD OF TIME THAN BEFORE.	YEAR	PLANNED	ACTUAL
	1995	BASELINE	15%
	1996	17%	25.7%

OBJECTIVE: 1.4.1 MORE STABLE FINANCIAL ENVIRONMENT

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: INCREASED CONFIDENCE IN THE BANKING SECTOR

INDICATOR: REGISTERED SHARE CAPITAL

UNIT OF MEASURE: LITAS

SOURCE: BANK OF LITHUANIA MONTHLY BULLETIN
DECEMBER 1996

INDICATOR DESCRIPTION: SHARE CAPITAL REGISTERED
WITH THE CENTRAL BANK

COMMENTS: AFTER THE CRISIS OF LATE 1995 AND
EARLY 1996 ALONG WITH INCREASED ACTION ON THE
PART OF THE CENTRAL BANK TO ENFORCE CAPITAL
REQUIREMENTS, BANK ATTRACTED BOTH DOMESTIC
AND FOREIGN INVESTMENT. THREE BANKS ARE NOW
MAJORITY FOREIGN OWNED.

YEAR	PLANNED	ACTUAL
1995	BASELINE	376 Million
1996	550 Million	762 Million

OBJECTIVE: 1.4.2 MORE STABLE FINANCIAL ENVIRONMENT

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: CAPITAL MARKETS ESTABLISHED AS A VIABLE ALTERNATIVE TO THE
BANKING SECTOR

INDICATOR: TRADING VOLUME

UNIT OF MEASURE: LITAS

SOURCE: NATIONAL STOCK EXCHANGE OF LITHUANIA
4TH QUARTER BULLETIN FOR 1996

INDICATOR DESCRIPTION: ANNUAL TURNOVER OF
EQUITY MARKET.

COMMENTS: IN EARLY 1996, THE STOCK EXCHANGE,
UPON THE ADVICE OF USAID FUNDED ADVISORS,
OPENED UP THE 'BLACK BOX' TRADING SYSTEM
ALLOWING FOR BIDS TO BE ADJUSTED. THIS RESULTED
IN AN IMMEDIATE INCREASE IN THE NUMBER OF BIDS
BEING MATCHED UP. THIS CHANGE WAS INTRODUCED
LATER THAN RECOMMENDED AND THE EXCHANGE
MOVED TO DAILY TRADING ON AT THE END OF THE
YEAR, RESULTING IN LOWER TURNOVER THAN
EXPECTED.

YEAR	PLANNED	ACTUAL
1995	BASELINE	148 Million
1996	200 Million	188 Million

TABLE 4 : PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 1.4: BASELINE, TARGETS, AND ACTUAL RESULTS

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1.4	A More Stable Financial Environment	1. Money Supply as a Percent of GDP	Definition: Money Supply will be measured by M2. Measurements done at year end. Unit: Percent	12/95	18%	17%	14.8%	20% 18%		24% 22%		28% 27%		35% 33%	
		2. Real Interest Rates	Definition: Average nominal interest rates for domestic currency time deposits as reported by the Central Bank minus annual inflation reported by the Statistics Department. Unit: Percent	1995	-16%	-15%	+1.1%	-12% -5%		-10% -2%		-5% 0%		-2% +2%	
		2. Long-term commercial debt as a % of total debt	Definition: The value of loans granted to residents for more than one year as a percent of all loans outstanding. (average for end of each quarter) Unit: Percent	1995	15.2%	17%	15.3%	19%		22%		25%		25%	
IR 1.4.1	Increased Confidence in the Banking System	1. Level of deposits	Definition: Level of deposits as reported by the Bank of Lithuania. Unit: Litas	12/95	4,630 million	4,865 million	4,208 million	5,060 million 4,000 million		5,200 million 4,300 million		5,500 million 4,600 million		5,800 million 5,000 million	
		2. Level of long-term time deposits.	Definition: Percent of time deposits that are for longer than three months. Unit: Percent	12/95	15%	17%	25.7%	20%		25%		28%		30%	

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LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS									
				YEAR	VALUE	1996		1997		1998		1999		2000	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		3. Registered share capital.	Definition: Share capital registered with the Central Bank Unit: Litas	12/95	376 million	550 million	762 million	650 million 850 million		700 million 925 million		750 million 1000 million		800 million 1100 million	
IR 1.4.2	Capital Markets Established as a Viable Alternative to the Banking Sector	1. Volume (a)	Definition: Annual Turnover of equity market. Unit: Litas	1995	148 million	200 million	188 million	260 million- 350 million		230 million- 500 million		400 million- 700 million		500 million- Project Completed	
		2. Volume(b)	Definition: Annual turnover of shares. Unit: Number of shares	1995	8.1 million	New Indicator	20.5 million	40 million		75 million		100 million		Project Completed	
		2. # of IPOs	Definition: To obtain capital, a company goes to the stock market and issues new shares (IPO). Unit: companies	1995	0	5	20+	15		10		22		25	
		3. # of listed companies (listed is equivalent to being identified as a blue-chip company)	Definition: To be listed, a company must meet certain disclosure, liquidity, and ownership requirements. Unit: companies	1995	0	5	0	10		20		25		30 Project Completed	
COMMENTS/NOTES Financial Data for banking and government revenue is collected for end of calendar year, and is only available no earlier than May 1 of the following calendar year. Capital markets information is typically available earlier.															

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SO 2.1 Increased, sustained collaboration of NGOs and local governments to develop policies and services which reflect community interests.

Lithuania is not making significant progress to establish a significant national threshold of sustainable NGOs that are effective in policy advocacy and service delivery. Assistance for this SO will not be complete until four thresholds are achieved: 1) a clear and supportive regulatory environment for NGOs, 2) the technical and managerial capacity sufficient to be effective, 3) financial viability, and 4) a broad understanding of NGO possibilities and responsibilities for advocacy in public policy and decision making.

The "unfinished business" in firmly establishing this last crucial pillar of an effective civil society and democracy will not be attained by 1999-2000, even taking into account other donor and national resources and efforts. USAID proposes activities now under SO 2.1 be extended for at least ten years, and continue in the form of a post-presence Foundation.

The progress in broader democratic reform in Lithuania has been impressive. Basic human rights; free speech; and free, fair and peaceful multi-party elections are firmly in place. *Decentralization, however, has not been a high priority for the national government, with public debate only recently begun. Public administration reforms will not be completed by 1998 and the issues may remain too complex for USAID to be able to make a significant contribution.*

Effective civil participation of NGOs remains the weakest unfinished element of institutionalized democracy in Lithuania and will require at least ten years of additional assistance. A post-presence Foundation for improving the environment for NGOs and strengthening their capacity to represent issues important to their constituencies, can resolve this crucial deficiency, post close-out, without a long term in-country USAID presence.

NGOs, while relatively abundant, are fledgling and maintain a low profile. With rare exceptions, NGOs play a very weak role in public debate on policy and decision making, though local governments are beginning to establish collaborative efforts with NGOs, such as the *NGO Day in Kaunas*, and the Prime Minister has recently appointed an advisor for NGO affairs. *Since reestablishing independence, the Lithuanian NGO sector has experienced diminished citizen support and a loss of leadership, as the popular activists of the early democratic transition accept opportunities in private business and government.*

The NGO sector is seriously constrained by key structural and functional weaknesses which constitute a major impediment to Lithuania's emerging democracy. Key constraints are: 1) weak and conflicting legislation on NGO status and taxation, 2) low civic participation rates, lack of government credibility, and undeveloped public-private partnerships, 3) weak NGO organizational, technical, advocacy and managerial capacity, 4) limited diversity of funding and a weak tradition of philanthropy, and severe disincentives such as an inability to earn income, no tax incentives for donations and no exemption from value-added taxes, and 5) limited capacity for advocacy.

IR 2.1.1 - Increased NGO Activism: The *International Center for Not-for-Profit Law* (ICNL) contributed establishing the legal environment for NGOs. ICNL participated in the drafting of the four NGO laws passed in Lithuania in 1996: the Law on Public Institutions; the Law on Associations; the Law on Foundations; and the Law on Community Organizations. ICNL strengthened incentives for NGO activism by assisting in the implementation and financing of legal assistance services for NGOs and furnishing materials for a law library at the NGO Information and Support Center. ICNL work to streamline and revise the shortcomings of over-complicated, cumbersome and contradictory NGO legislation continues.

The *Democracy Network* (US Baltic Foundation) and the *Democracy Commission Small Grants Program* enhanced NGO and community organization activism by providing grants to support public policy advocacy, civic education and the provision of services. The *Democracy Commission* grants serve to improve diversity, tolerance and mutual understanding.

DemNet has awarded 31 grants totaling \$276,696 which are starting to show results. The *Lithuanian Center for Human Rights* was an active participant in passing legislation that will require civic education programs in Lithuanian schools by 1998-99. The *Kaunas Women's Employment Information Center* established a Municipal Foundation to support women entrepreneurs and lobbied parliamentarians to change the Law on Charity and other policies which impact women owned businesses. The *Lithuanian Free Market Institute* is using research on philanthropy in Lithuania to advocate changes in laws affecting philanthropy. The *Council of Lithuanian Youth Organizations* has trained youth leaders to provide a pragmatic focus to youth groups, and building leadership skills and contacts with youth leaders in other countries. The *Ornithological Society* is promoting legislation to lower tax rates for land left as a natural area.

The *USIS Vilnius Media Training Program* improved the media legal framework and the professionalism of independent Lithuanian journalists, focusing on administration management and the financial security of private newspapers, television and radio companies. Using training in the US, USIS participants successfully changed the 1996 Law on Media and established a self-regulating commission on advertising standards, rather than the government appointed commission proposed in the original legislation.

The *International Republican Institute* (IRI) political party training program strengthened political party organizational development and developed sophisticated campaign tactics and techniques used in both the 1996 Parliamentary elections and the 1997 local elections. IRI training resulted in these campaigns being based largely on platform, rather than solely on personality, and in creating an environment of tolerance for opposing views. USAID was the only donor providing training at the grass-roots level for all political parties in Lithuania.

IR 2.1.2 - Increased Responsiveness to Public Participation Among Municipal Government Officials: The *National Democratic Institute for International Affairs* (NDI)

opened new citizen participation and access opportunities at the local government level and laid the foundation for increased local government transparency. Key results include: 1) Alytus, Kaunas, Utena and Ukmerge established Citizen Advisory Committees; 2) Kaunas established cooperative ties to local NGOs and co-sponsored an *NGO Day*, 3) a handbook of citizen participation will be distributed to introduce new approaches to improve citizen participation, and 4) a skill base in four cities was created to facilitate future citizen-government partnerships. NDI helped the MTC to improve the quality of training and assistance to local governments and strengthened its financial and managerial capacity. As a result, the MTC obtained contracts from Development Associates, EU Phare, and the World Bank for local training.

Development Associates (DA) established the first economic development program of its kind in Lithuania, in Panevezys. A nation-wide municipal training project with the MTC, provided seminars in economic development, personnel management, management/management skills, the financial system of Lithuanian municipalities, strategic planning, and laws and regulations in municipal practice. These seminars gave local government officials new management skills and techniques, enhanced interdepartmental communication and cooperation, and demonstrated consensus building and team management techniques.

Expected Progress in 1997, 98, and 99: Continued national progress will be slow over the next three years. Small examples of emerging policy advocacy in NGOs can be seen in NGOs such as the Lithuanian Free Market Institute and the MTC. Cooperation between local government and NGOs will continue to develop, but will need nurturing and replication will not occur quickly. Both the programs with Development Associates and NDI will focus on the important further development of the capacity of local governments to collaborate with NGOs through support of a limited number of concrete, specific public-private partnerships on local economic development and/or service delivery.

The NGO sector will remain weak and financially constrained. The new Prime Minister's advisor on NGOs will serve as a potential focal point of reform for the legal and tax system. All analysis indicates that NGOs will continue to receive the majority of support and training from donors because local resources are not being targeted on NGOs. The Open Society Fund, USAID, other donors are shifting to focus on fewer more viable NGOs rather than continuing broad based unfocused support for NGOs. While this will mean that some NGOs will likely close over the next three years, the remaining NGOs will have improved skills and can provide services. An evaluation of the DemNet program has reinforced the need for USBF focus on creating a core of sustainable NGOs that can effectively provide independent public policy analysis, advocacy and services. DemNet can serve as an interim step to the proposed *Baltic-American Foundation for Participatory Democracy*.

The targets that were set for the SO in 1996, were narrowly focused on USAID efforts and were generally achieved. Recent analysis indicates that Lithuania's progress has been limited in overcoming the structural barriers to the long-term sustainable development of the NGO sector as noted above. The NGO sector will continue to have limited impact and their ability

to support continued economic and democratic reforms will not be sustainable for another 10 years. The performance of this S.O. is a three.

OBJECTIVE: 2.1 Increased, sustained collaboration of NGOs and local governments to develop policies and services which reflect community interests

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: S.O.

INDICATOR: Number of joint public-private activities taking place at USAID-supported sites.

UNIT OF MEASURE: New activities each year

SOURCE: U.S.-Baltic Foundation; Development Associates; National Democratic Institute

INDICATOR DESCRIPTION: An activity is a commitment of local government resources, including human or in-kind resources, to a defined objective that is carried out over a specific time frame, in cooperation or partnership with an NGO or community group to provide social services or enhance community advocacy.

COMMENTS: Joint projects between NGOs and local governments are not common in Lithuania. The modest target level is realistic and is expected to grow.

YEAR	PLANNED	ACTUAL
1995	2	2
1996	6	7

OBJECTIVE: 2.1 Increased, sustained collaboration of NGOs and local governments to develop policies and services which reflect community interests

APPROVED: 1996

COUNTRY/ORGANIZATION: USAID/LITHUANIA

RESULT NAME: 2.1.1 Increased NGO activism

INDICATOR: Among NGOs receiving AID support, increased incidence of NGOs developing public outreach programs that extend beyond their membership base

UNIT OF MEASURE: 1) The average number of advocacy information projects per AID-supported NGO. 2) Total of annual advocacy information projects in AID-supported NGOs.

SOURCE: DemNet USBF consortium; NGO Support Center; LFMI; MTC/KU; ICNL; NFF

INDICATOR DESCRIPTION: Advocacy information projects include press conferences, public fora and publications, aimed at effecting public policy and/or bringing about positive community change.

COMMENTS: The unit of measure (#1) represents an average and the future pool of monitored NGOs is annual, the total number of such projects (#2) by the end of 1998 is expected to be over 3,300.

YEAR	PLANNED	ACTUAL
1:		
1995	30	30
1996	35	45
2:		
1995	240	240
1996	770	990

PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 2.1: BASELINE, TARGETS, AND ACTUAL RESULTS,

April 22, 1997

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA		TARGETS AND ACTUAL RESULTS							
				YEAR	VALUE	1996	1997		1998		1999 (I)		2000 (I)
							Target	Actual	Target	Actual	Target	Actual	
SO 2.1	<u>Increased, sustained collaboration of NGOs and local governments to develop policies and services which reflect community interests</u>	<u>Increase in the number of joint public-private activities taking place at USAID-supported sites</u> ¹	Definition: An activity is a commitment of public-private funds, including human or in-kind resources, to a defined objective that is carried out over a specific time frame. Unit: New activities each year	1995	2	7	15		25		35		
IR 2.1.1.	Increased NGO activism	Among NGOs receiving USAID support, increased incidence of NGOs developing public outreach programs that extend beyond their membership bases	Definition: Dissemination of advocacy information by NGOs (e.g., through press conferences, publications, and public fora). Unit 1: The average number of advocacy information projects per USAID supported NGO. ²	1995	30	45	50		55		60		
			Unit 2: Total of annual advocacy information projects in all AID supported NGOs	1995	240	990	2100		3300		3300		
I.R. 2.1.1.1	Legislation enabling the organization and operation of NGOs established	Legislation drafted (including revisions and amendments), approved and implemented to allow for optimal NGO development.	Definition: Development of NGO-related legislation and its dissemination to the NGO community Unit: Percentage of necessary laws drafted, approved, and implemented ³	1996	50%	50%	80%		90%		95%		
I.R. 2.1.1.2	Increased effectiveness of NGO management	Among NGOs receiving USAID support, the obtaining of NGO income from indigenous sources, both private and state	Definition: Percentage of USAID supported NGOs receiving both Lithuanian state and private funding. Unit: Consistent 7% increase over previous year. In 1995, prior to receiving USAID support, 2 of the 8 DemNet Round 1 awardees were receiving both types of funding.	1995	25%	32%	39%		46%		53%		

1. During 1995-97, USAID supported cities include Panevezys, Kaunas, Alytus, Ukmerge, Utena, and during 1997-98, cities that participate in DemNet special private-public grant competition. The meager history of such private-public collaboration indicates to us that targets are realistic, but are expected to grow.

2. In 1995, prior to receiving USAID support, the 8 DemNet Round 1 awardees had 237 such activities for an average of 30. The pool of monitored NGOs reflects ongoing activities from all awardees, past and present: 1996 reflects 22 awardees from DemNet Rounds 1 and 2, 1997 reflects those from Rounds 1,2,3,4, and so forth. The cumulative number of activities over the span of 1996-98 is expected to be over 5,000.

3. Percentage is based on a ICNL checklist of activities that need to take place to ensure the development of an optimal NGO legal environment.

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PERFORMANCE DATA FOR STRATEGIC OBJECTIVE 2.1: BASELINE, TARGETS, AND ACTUAL RESULTS (Continued)

LEVEL	RESULT STATEMENT	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA									
				YEAR	VALUE	1996	1997		1998		1999		2000
							Target	Actual	Target	Actual			
IR 2.1.1.3.	Improved NGO advocacy planning and design skills	NGO proposals for USAID-supported projects that involve partnerships/ coalitions or direct lobbying of important public officials	Definition: Percentage of NGO proposals that contain local advocacy/public policy activities ⁴ Unit: Consistent 10% increase over previous year. Baseline of 42% in 1996 is 52/123.	1996	42%	42%	50%		60%		80%		
I.R. 2.1.2	Increased responsiveness to public participation among municipal government officials in the USAID supported cities (see Note 1)	1. Increased transparency: Mechanisms that local governments have put in place to assure citizen access to public officials	Definition: Types of mechanisms that permit access by citizens to local government - publications, hearings, advisory committees. ^{5,6} Unit: A mechanism of access	1995	9	11	15		19		23		
		2. Increased transparency: Public accessibility to city financial and budget records and minutes of public meetings	Definition: Number of city financial and budget documents available to public Unit: Types of financial/budget documents published or made available ^{5,6}	1995	1	2	5		6		7		
		3. Increased interaction: NGO participation in various local government debate fora	Definition: Number of NGOs participating in government-sponsored public fora (hearings, advisory committees). ⁶ Unit: Number of participating NGOs	995	4	31	45		67		100		
		4. Increased interaction: Training of local government officials, local trainers and NGO activists in citizen participation training programs	Definition: Duration of training for officials/trainers/activists in civic education programs. ⁶ Unit: Total person-days of training	1995	833	1729	2000		2250		2500		
4. During 1997-98, this reflects applications throughout Lithuania applying within the original DemNet charter program. 5. In practical terms, only a limited number of such mechanisms and documents can be developed. 6. Measurement of project indicators will take place in 5 USAID supported cities (see Note 1), as well as sites monitored by MTC/KU, DA, NDI and PIET.													

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SPECIAL INITIATIVES

1.0 Reduced Dependence on Ignalina Nuclear Power Plant (INPP): 1.A. Nuclear Safety: In 1996, a Safety Analysis Report (SAR) funded by EBRD/NSA was completed. The SAR identified critical immediate steps to take to improve the safe operation of the INPP. The GOL and the regulator (VATESI) are undertaking an in-depth review of the SAR. VATESI must make a decision on relicensing Unit 1 of the INPP in 1998. The Nuclear Regulatory Commission (NRC) helped to develop VATESI skills and independence as a nuclear regulatory body to enable it to carry out this licensing reviews. NRC helped VATESI draft Safety Norms and Standards for INPP operations. The Department of Energy (DOE) continued to implement its safety program at INPP. The major results are 1) physical configuration mapping of the plant was completed to provide reference material for safe plant operations and modifications, 2) RBMK reactor analyzer is being used to support INPP analysis needs and to support VATESI in their review of the SAR, 3) Lithuanian Energy Institute (LEI) experts were trained to perform 3D neutronics calculations which allowed LEI to participate in the review of the SAR, assist in the development of Emergency Operating Instructions (EOIs), and analyze proposed INPP modifications, 4) the DOE's physical protection project was completed, and INPP upgraded the vehicle portals, central alarm stations and radio communications for guard forces. Continued USAID assistance will focus on continued improvements in nuclear safety at the INPP and on the nuclear regulatory capability of VATESI. The result of this work will be that VATESI will base its decisions on the actual safety capabilities of the INPP.

1.B. Baltic Regional Energy Planning project (BREP): This activity is being funded out of regional funds and is part of the proposed regional objective in ENI SO1.5. Baltic countries are continuing to cooperate and are considering various least-cost investment scenarios for power supply and demand which would allow for the shutdown of INPP and phase out of the Estonia oil shale refinery. During 1996, a draft regional least-cost plan was prepared by the partner utilities themselves demonstrating regional cooperation that may lead to identifying least-cost options for the region.

1.C. Regional Energy Efficiency: With USAID assistance, the Customer Analysis and Service Department at Lietuvos Energija was established and it prepared an implementation plan. The Department will work with the customers to become more energy efficient. Two demonstration projects with a private industrial and a state-owned customer were started. At the end of the project, the Department will be able effectively carry out energy efficiency projects and improve Lietuvos Energija's bills collection system.

2.0 Regional Environmental Monitoring: The program helps Baltic ministries improve and standardize their environmental monitoring capabilities and procedures. Although only the Lithuanian EPA program has funds in 1996-1997, a small amount of carryover funds for Estonia and Latvia assures participation of these countries in this regional program. EPA's delay in preparing a workplan did not allow USAID to provide EPA with FY 1996 funds and prevented progress in the program.

The major achievements of this activity in 1996 were: Estonia received a grant of \$3.1 Million from EU PHARE for the implementation of the standardized monitoring system; Lithuania and Latvia submitted proposals to EU PHARE and are expecting funding for the monitoring system from EU Phare in 1997; Latvia implemented major institutional organizational changes at the Ministry of Environmental Protection; Lithuania began to implement the Global Positioning System with computerized base stations; a Wellhead Protection Plan for Siauliai was developed which will serve as a model for other wellhead protection plans and as a good start for environmental quality assurance and quality control development in Lithuania; and the Baltic countries agreed to initiate a monitoring system to measure the pollution in forested areas.

During the next year, EPA will assist the ministries to obtain further funding to implement recommendations for regional environmental monitoring, complete the Global Positioning System, implement the monitoring system for measuring pollution in forested areas, and establish compatible laboratory analytical methods and protocols. As a result, the Baltic countries will be closer to standardization of environmental monitoring systems.

3.0 Improved Enterprise Capacity: Small and medium private enterprises have emerged as the engine helping to push Lithuania's growth. Private enterprise employees almost two-thirds of the working population and has taken the lead in trade, services, retail and light industry. Since independence, business have received assistance from almost every donor program and have increased their management and technical skills. The EU PHARE program established six business assistance centers throughout the country and a host of capable local consulting companies have started to operate. Solid economic progress has occurred in this area.

In late 1996, in view of progress made, tightened funding, and the need to concentrate resources on a limited number of the highest priority policy areas, enterprise level assistance began to be phased out and was designated a special initiative. With the exception of the Peace Corps, the Management Training Center and the World Environmental Center, all SME support activities are scheduled to close by the end of 1997. The International Executive Service Corps will continue activities, but will concentrate on policy efforts in direct support of the Mission's strategic objectives. The special initiative 4.1.3 is comprised of the following activities:

- Small-Medium Enterprises (MBA Corps, International Executive Service Corps, Peace Corps)
- Agricultural Sector (VOCA, Land o'Lakes)
- Investment/Demonstration (Environmental Action Program Support Project, World Environment Center (WEC) Waste Minimization)
- Management Training (Management Training Center - Texas A & M - MTEEP, EMED).

Economic Benefits: The SME activities achieved economic benefits to companies

twice the level of costs incurred by USAID. The target set was a ratio of 2/1. The cost to USAID of all the above projects during 1996 was \$2.9 million. USAID clearly met this target as indicated by the following sampling of success stories:

- IESC volunteers helped a glass factory make production changes that led to increased sales of \$12 million and a computer company increase revenues by \$60,000 per employee
- An MBA volunteer helped a computer company develop a comprehensive business plan that was instrumental in the company obtaining a \$1 million loan and raising \$2 million through the sale of equity. The cost of the volunteer's service was about \$30,000
- Two VOCA volunteers helped one poultry company reduce expenses and increase revenue by \$572,700 and another company by \$193,800
- The WEC program implemented waste reduction programs at five companies. The \$11,000 investment resulted in annual savings of \$10,000.

Improved Management Skills: Marketing, managerial and cost accounting, business plan development, organization structures and personnel planning have been generally lacking in Lithuanian businesses. The introduction of Western management techniques is the primary goal of the SME, Business Training and Agricultural programs. USAID efforts achieved results of 100% of the companies assisted adopting new management techniques and university capacity was increased because Kaunas Technological University and other institutions adopted western courses for business management. Some key successes were:

- A manager of a textile firm who attended the MTEEP program was able to cut his delivery time in half and increase sales by 22 %
- A manager of a laser products company increased his firm's revenues 300% after participating in EMED training in the US
- Three staff members of a vocational school attended the MTEEP center. As a result, the curriculum of the school was altered to include entrepreneurial activities and a new course on market economics is taught to all students. 125 students will graduate each year with basic entrepreneurial skills as a result of these changes
- A teacher at an agricultural school who attended the MTEEP center has introduced market economics into the curriculum of courses for the school's 500 students. The teacher is also preparing a text, 75% of which is based on Center materials.

Adoption of Technical Solutions to Solve Enterprise Production Problems:

Productivity was significantly increased in at least 25% of assisted firms and the quality of milk in targeted regions was increased by over 30%. Results indicate that the technological improvements implemented by these firms did not just increase productivity, but in many cases enabled firms to improve the quality of their products so they could compete on the world market. Without the improvements the firms could not survive as viable businesses. Some examples are:

- A TV tube plant landed a \$33 million contract after an IESC volunteer improved the quality of the tubes and reduced defects on the line enabling them to meet schedules and client needs
- Technical changes at a newly built feed mill increased production by 300 tons per year
- Production rose 15% at a meat processing plant by introducing a VOCA volunteer's changes.
- The Land o'Lakes project at Birzai Dairy, which introduced new packaging and other changes, has resulted in a doubling of output and the development of a successful export effort
- The Land o'Lakes project with the National Veterinary Lab has cut the cost for culturing milk samples by 50%. The time for analysis has been cut by 60%
- The Land O'Lakes project with Birzai Dairy has reported a rise in top quality milk coming into the dairy from 23% in 1994 to 42% in 1996, an 80% increase
- The installation of \$200,000 of chrome removal equipment at one enterprise allowed the company to stop violating environmental laws that could have resulted in its closure and eliminated a major source of water pollution.

The highlights from the 80 projects completed by USAID implementors indicates that objectives have been met. More detail on impacts achieved is available in "Lithuania: Assessment of Enterprise Development Projects and Their Impacts" by Jonathan L. Sperling (April 2, 1997). Technological changes were implemented, management skills were improved, jobs were created and financial viability of assisted firms increased which indicates a successful SME program.

4.0 Participant Training Project for Europe (PTPE): In 1996, PTPE trained 56 decision makers in the areas of Energy, Environment, Financial Sector Reform, Legal Sector, and Democratic Institution Building. The participants were selected to support all the strategic objectives: SO 1.2 (fiscal reform) - 7 specialists, SO 1.3. (energy, environment, trade, legal reform) - 10, SO 1.4 (banking, capital markets) - 7, SO 2.1 (NGOs and municipal government) - 8, and SO 4.1 (nuclear safety, enterprise development, business education) - 19. Thirty percent of participants were female - greater than the national average of women in similar positions, and the 10% HBCU target was met by using a proactive approach. The program was implemented through a contract with Partners for International Education and Training (PIET). As training is a cross-cutting initiative, the impacts that accrue from the training program are integrated into reporting at the strategic objective and special initiative level.

5.0 English as a Second Language: EFL Fellow Program in Lithuania was developed to train Lithuanian students and faculty in the English language so as to establish an indigenous base of trainers. The target selected was to train over 500 students and faculty in EFL courses. Two teaching fellows of the *English as a Foreign Language Program* (EFL), administered by USIA, have taught and provided consultation for 549 students and faculty members at universities in Kaunas and Vilnius. They collaborated with the Ministry of

Science and Education to prepare the Year-12 EFL Examinations, and have standardized teaching and testing procedures to ensure measurable language competence among both teachers of English and their students. In addition, the EFL program distributed \$22,000 of EFL classroom literature to 26 pre-university schools, and \$2,600 of other EFL related material.

6.0 Regional Rule of Law: The CEELI/Department of Justice Criminal Law Liaison provided training that enhanced the effectiveness of the Lithuanian criminal justice system and improved its ability to fight organized crime and corruption by introducing the concept of an *Organized Crime Strike Force* to the Prosecutor General. DOJ/CEELI provided guidelines on setting up the Force, and conducted training for Strike Force attorneys on bribery laws and witness protection issues. The activities enhanced public safety by improving the efficiency and effectiveness of Lithuanian law enforcement through seminars on alternative methods of resolving criminal cases, an "International Corruption Prevention Seminar and Workshop", and on-going assistance to the Police Academy. CEELI assisted the Lithuanian Law Institute to create a Citizen Crime Prevention Council, evaluated and assessed the draft of the Lithuanian Criminal Code, and assisted the President to develop a "Background Investigation" form for application to sensitive positions. The target set for 1996 was to provide 14 training courses, seminars, workshops and round table discussions with law enforcement and legislative personnel. This target was achieved.

Part III MANAGEMENT CONTRACT

1. Status of the Management Contract

The current management contract was approved in August 1996 and includes four strategic objectives and four special initiatives. The mission has proposed a change in the management contract. The adjustment in the program is proposed to respond to emerging priorities with the newly elected Government, to focus on the most crucial areas of the economic reform process as part of a close out strategy, and to make adjustments in the close out date for four crucial strategic objectives. First, SO 1.3 Improved Policy Environment for Enterprises is deleted because significant results were achieved by the Government in commercial law without the assistance of the CEELI program which has proven to be a non-performing implementor; the work on environmental pricing is closing down and major impact will not be seen for at least five years; trade policy reforms are now a low priority for the government and there is a high degree of institutional uncertainty that will reduce success thereby suggesting that this activity should be halted; and finally, the energy work has been shifted to a new Strategic Objective. Second, the mission proposes to expand and consolidate improved energy policy reform and safety in a new limited focus strategic objective (SO 1.5) to improve nuclear safety and support power sector restructuring (FY 99) and build the capacity of the newly formed Energy Price Commission to liberalize and manage energy pricing (FY 99). This new strategic objective will merge the energy intermediate results from the current strategic objective to improve the policy environment for enterprise development (SO 1.3) and the special initiative to reduce dependency on the

Ignalina Nuclear Power Plant. Third, the Mission also proposes to continue and extend the work to strengthen fiscal management (SO 1.2) with an increased level of effort for tax and fiscal policy and provision of senior policy advisor to the Minister of Finance (FY 99). Fourth, we will continue and extend the efforts to develop a more stable financial environment (SO 1.4) by maintaining the Treasury senior policy advisor on monetary and bank policy (to FY 99), and incorporating activities in collateral law in this strategic objective (FY 97), and complete the work on capital markets (FY 98). The proposed shifts include an increase in the FY 98 budget of \$2.8 million above the current approved level and an additional FY 99 budget of \$2.8 million, which will extend the close out date for one year.

Management Contract (\$000)

	Proposed R4 (\$000)			Current R4 (\$000)	
	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 97</u>	<u>FY 98</u>
SO 1.2 \$ 600	2,090	\$1,850	\$ 775		\$ 950
SO 1.3 250	0	0	0	0	1,250
SO 1.4 1,200	2,360	950	400		2,250
SO 1.5 100	1,075	950	550		200
SO 2.1 400	175	1,025	500		1,100
SO 4. 450	1,300		675	275	1,250
Total	\$7,000	\$5,500	\$2,800	\$7,000	\$3,000

Funding for a regional foundation (SO 2.1) has not been approved. The proposed funding request for bilateral and regional funding is:

	FY 98 (\$000)	FY 99 (\$000)	Total (\$000)
Lithuania	900	600	1,500
Latvia	1,500		1,500
Regional	1,600	2,900	4,500
Total	4,000	3,500	7,500

2. Issues and Concerns

There are several issues that affect the ability of USAID to achieve results. First, the need to streamline systems and take into account the limited resources of small missions remains an impediment to achieving results. Improvements in teamwork and cooperation between ENI and USAID/Vilnius have made a significant difference. Reduced reporting to ENI based on guidance from the DAA to offices to seek information in Washington and standard reports has helped.

Second, the staffing needs are still insufficient to keep up with work load. The most dramatic example is that from the time of the tentative approval of the R4 until August, mission staff struggled with the added workload of preparing scopes of work and obligating new funds. The tasks were achieved with limited assistance from ENI staff, despite guidance from the DAA during the strategy review to provide technical support. This workload strain and continued pressure for peak performance have strained the capacity of the staff. The situation has improved since November with a greater level of help from PER. The ability to obtain support from ENI on democracy activities and evaluations will continue to be a concern. There is a need to continue to improve the serious imbalance in staff time allocation or risk program quality.

Third, requested and approved delegations of authority (DOA) were not provided to USAID/Vilnius for several activities. This issue turned out to be resolved in most areas by simply exercising the authorities implied in Bureau Operating Procedures concerning DOA. Procurements that were completed in the region provided COTR authority directly without the need for ENI action. In one other case, the DOA was not provided to the mission because of the lack of action by DG and OP. The mission stopped seeking the DOA because ENI/DG and USAID/Vilnius were able to shift to a team management approach and the need for the DOA was reduced along with the resolution in management differences.

Fourth, a major impediment that may effect the achievement of results is the failure of the NMS system and the lack of an adequate system to ensure the smooth obligation of funds for this year. USAID/Vilnius is concerned about delays in the procurement process and the reduced ability to achieve results. USAID Vilnius recommends that the following procurements be undertaken with the Regional contract officer: Energy pricing contract delivery order (FY 97), a new Cooperative Agreement with Kaunas Technical University in lieu of the Texas A&M large grants project (deobligation and reobligation FY 97), and the Foundation for Democracy (FY 98 obligation). The following procurements have already been obligated in the region and will be continued in FY 98 and FY 99: tax policy support, cooperative agreement with the Lithuanian Free Market Institute, and program funded staffing.

Fifth, the mission indicated in the FY 96 review of the strategic plan that the November 1996 elections were likely to result in a new government in Lithuania and this would likely result in a change in priorities for the close out of the USAID program. It is anticipated that there will be no additional changes at the Strategic Objective level, however, the mission may need the program flexibility to make adjustments at the IR level.

Sixth, the development of the Baltic American Foundation for Democracy is management and staff intensive and requires a high degree of cooperation and teamwork among USAID and the Embassies in Vilnius, Riga, and Tallinn, and many AID/W offices. The level of commitment of staff time needs to be explicitly continued from various AID/W offices to achieve success. In addition, the debate about the foundation's design will need to reach closure over the next few months in order for obligations to proceed, because a continued divergence of views may result in an artificial barrier to progress. The quality of support and level of effort now being provided by AID/W in April and May is a measure of the type of teamwork that will move the design forward and is greatly appreciated and needed.

Part IV RESOURCE REQUEST

1. Resource Request

Resource request for Lithuania by Strategic Objectives

See Annex 3: Lotus Spreadsheets

Resource request for Lithuania by Projects

See Annex 4: Lotus Spreadsheets

Resource Request for Regional Foundation

See Annex 5

2. Resource Request Narrative by Strategic Objective

Strengthened Fiscal Management (SO 1.2) Resource Request: To strengthen fiscal management, USAID/Vilnius will allocate \$2.090 million in FY 97 and requests \$1,850 million in FY 98 and \$775,000 in FY 99. In response to continuing and growing needs in the area of fiscal management, USAID will continue and expand the breadth of projects at the Ministry of Finance. This work will include continued efforts in tax policy and treasury function development, as well as additional efforts in tax legislation, budget policy and Ministry policy. This work is in response to a new policy developed by the Government of Lithuania and Ministry of Finance after the November 1996 Parliamentary elections.

Poor fiscal management is a key bottleneck to economic reforms. Ad hoc passage of tax laws, decentralized cash collection and disbursement, antiquated budgeting systems and centralized decision making in the Ministry are leading to a situation where policy and decisions are constantly made under crisis pressure. By addressing the key functions of the Ministry, the foundation will be set for the Government to appropriately manage its finances. As the tax system becomes stable and compliance easier, private investment should increase and a major part of the gray market will enter the formal economy. This will lead to an increase in official GDP and an increase in revenue collections. Also, as a result, the budget will have more flexibility in meeting the investment needs. The changes will include a thought out tax policy that will have lower tax rates and a broadened tax base, a normally functioning treasury function, budgeting based on actual needs and decision-making taking place at appropriate levels of the Ministry.

More Stable Financial Environment (SO 1.4) Resource Request: USAID Lithuania will allocate \$2.360 million for FY97 and is requesting \$950,000 in FY 98 and \$400,000 in FY

99 to foster a more stable financial environment. In response to the continuing needs in the financial sector, USAID will continue funding in the banking and capital markets areas. In the banking area, this work will address the plans to reestablish the classic central bank functions at the Bank of Lithuania, complete work in bank supervision, and continue to improve the policy framework within which the financial sector operates. USAID was specifically requested by the Governor of the Central Bank to assist on strategic planning, internal management and monetary policy. This work is fundamental to ensuring that the Government's plans to leave the current currency board arrangement are done in a planned and structured fashion. No other donor has this level of trust developed with the Bank of Lithuania. Given the level of work remaining, it is expected that funding will be needed through FY 99.

In the capital markets arena, USAID is currently the only donor active in providing assistance. The focus is on market regulation and development. USAID will assist the stock exchange in implementing a continuous trading system with improved trading rules and market surveillance. Assistance will also continue to the Securities Commission on market surveillance, market regulation and broker licensing. This will allow the Commission to keep pace with the market, so that growth occurs in a relatively safe manner and investor rights are protected. Given the progress in this area, the last year of funding will be FY 98.

Improved Energy Safety and Policy (SO 1.5) Resource Request: To improve energy safety and policy, USAID/Vilnius requested an approval of a budget increase which will permit the allocation of \$1.075 million in FY97, and requests an additional \$1.0 million in FY 98 and \$500,000 in FY99. The new Government's decisions to move aggressively to improve energy policy and to restructure and privatize the energy sector has led USAID to strengthen support for the energy sector, since resolution of Lithuania's public finance, financial sector and energy problems are tightly related and must be solved together.

In FY 97 through FY99 USAID will further support reform in energy sector and assist to the Energy Pricing Commission to make it into a capable and independent energy regulatory body that sets economic operating policy and establishes framework for private investments. At present, no donor provides assistance to the Commission. USAID plans also to support the GOL of developing restructuring and privatization policy and strategy and help perspective thermal generation plants and distribution companies to carry out restructuring and initiate privatization. This work is especially important given their key role in meeting future electricity needs, improving collections, and this complements other donor work already completed or underway.

USAID will continue to support INPP nuclear safety regulatory work and has planned funding to the Nuclear Regulatory Commission for \$200,000 in FY 98 as part of the overall request.

Strengthened NGO Sector (SO 2.1) Bilateral Resource Request: The USAID program has achieved important results in civic participation for political process, rule of law, and NGO development. Nonetheless, the attainment of current targets in the civil society sector will not

result in sufficient effective and sustainable NGOs, active in policy advocacy and service delivery. To enhance the effectiveness of the Lithuanian justice system, improve the training of judges, and support the new Judicial Training Center (JTC) NGO. USAID is planning to provide \$25,000 in FY98 funds as a direct grant to the JTC. In FY 98, \$100,000 is requested for the Democracy Commission. We propose that under a modified strategic plan, that beginning in FY 99, activities now under SO 2.1 be replaced by activities supported by a post-presence regional Baltic American Foundation for Democracy.

Strengthened NGO Sector (SO 2.1) Foundation Resource Request: Maintaining the transition to stable and sustainable democracy in Lithuania will require sustained funding and support in the civil society sector. Though significant progress has been made, an appropriate graduation threshold of collaboration between NGOs and local governments throughout Lithuania, and the strong NGO sector necessary for continued transitional progress will not be achieved within the time frame of current SEED activities, or in a reasonable extended graduation time frame. A total of \$7.5 million is requested to establish a *Baltic-American Foundation for Participatory Democracy*. The Foundation will improve the environment for non-governmental organizations and strengthen NGO capacity to advocate issues important to their constituents.

The funding request is for:

Lithuania bilateral allocation:	FY 98: \$900,000 and FY 99: \$ 600,000.
Latvia bilateral allocation:	FY 98: \$1,500,000
Regional request:	FY 98: \$1,600,000 and FY 99: \$2,900,000.
Total Request:	FY 98: \$4,000,000 and FY 99: \$3,500,000.

3. Priority Strategic Objectives

The mission's priorities are based on a mix of the Agency methodology to rank SOs and a consideration of the critical nature of the importance of program sustainability and a concern that dropping a strategic objective this close to the end of the program would result in undermining the program objectives to date and lead to questions concerning under funding crucial activities analogous to not paying for the final stages of construction of a bridge. The rank order may strongly weigh past investment in the strategic area more heavily than the Agency ranking.

The critical nature of the work in stabilizing the economy through fiscal and financial reform are equally crucial to Lithuania's future. Through work in SO 1.2, the Ministry of Finance must become a more effective institution to be able to ensure the continued fiscal stability in the country. The budgetary issues are severe, there is a need to complete the work to establish a treasury function; develop a sound structure for budget and macro economic planning and analysis; and improve the tax policy framework. Otherwise, the budget will continue to face severe shortages which will in turn lead to increased international borrowing and debt and the tax burden on enterprises will continue to result in an increase in the grey market or to choke off economic growth. The US is positioned at a crucial point in the process of reform and has earned the trust of top ministry officials through past high quality efforts.

The work in fiscal reform is very much integrated with changes in the financial sector (SO 1.4). In 1997, Lithuania will begin to move from a currency board arrangement to an independent monetary policy. The IFIs and donors are supportive of this move in principle, however the speculation that the government will devalue the currency to favor the trade aspirations of the more inefficient industrial lobbyist is a worry to all parties and has already lead to a negative reaction by the international financial markets. Banking still is not on stable ground and the work to complete improvements in banking regulation combined with building the institutional capacity for monetary policy will take at least three more years to complete. The US is the only donor that the Bank of Lithuania has permitted to provide assistance at the level of the Governor and Deputy Governors of the Central Bank. It would be particularly harmful for the US to end its support prematurely.

Similarly the work in energy sector reform is particularly crucial to improving economic

growth in Lithuania. The energy arrears and subsidies to the energy sector are extremely high, the new government promised to reduce the burden of higher energy costs on the poor, the Ignalina Nuclear Power Plant will require over \$100 million in investments for safety upgrades this year and the energy company has been very resistant to privatization and restructuring. The new government has made a commitment to privatize the energy sector and the President recently established a new Energy Pricing Commission to address increases in the energy prices. The country is facing very difficult technical and political decisions in this area and the USAID program has been an effective partner and the only donor offering assistance in this key area. If additional budgetary resources are not available, this initiative will have to be cut. The past two years of close discussions with other donors indicates that the World Bank will continue to push for price and policy reform through a structural adjustment loan and the EU will focus on legislative reform directly linked to EU integration.

The policy environment for enterprise development (SO 1.3) has been eliminated in the proposed modification, except the energy work and collateral law which was shifted to the SO on financial stability. The environment program is undergoing an accelerated phase out. The direct support to enterprises was ended with the FY 97 budget and no additional cuts in program funds can be absorbed without a direct negative effect on the crucial program policy reforms.

With regard to the democracy sector (SO 2.1), the key unfinished business is the development of the NGO sector to serve as a critical guardian of democracy, hold government accountable for policy reform and be a source of pressure for reducing corruption in government, and educating Parliamentarians about the needs of the business sector (since there are only three MPs with business experience). It is clear that this key element of the democratic landscape will not be sustainable without continued financial and technical support and legal and tax reforms. However, the mission has proposed a regional Baltic American Foundation for Democracy which will need approximately \$7.5 million of SEED funds in FY 98 and FY 99 to be established.

In summary, the mission's rankings from highest to lowest are: SO 1.2, SO 1.4, SO 1.5, and SO 2.1. Performance under SOs 1.2 and 1.4 has been steady and positive. Performance under SO 1.5 has improved significantly with the new government. The work on grass roots democracy advocated through the Foundation design is crucial to the long term post AID legacy work and without US support a number of NGOs will fail and the effectiveness of others will be diminished.

4. Field Support Required from USAID/Washington Offices

4.1 Global Bureau (Global Field Support table-Annex 6) Under SO 1.2 Fiscal Management, USAID/Vilnius plans to continue to buy-in to the Global Bureaus (EG/EIR) Consulting Assistance on Economic Reform (CAER) project using \$1,000,000 in FY 97 funds, \$950,000 in FY 98, and \$300,000 in FY 99 to support tax legislation and policy reform. The task order will be prepared for life of activity work and funding will be

provided in FY 98 and FY 99 through incremental funding.

Under SO 4.2, the mission plans to access the Global Bureau Participant Training Program for Europe for a maximum of up to \$750,000 over the three years. The Mission's evaluation plan may call on Global Bureau mechanisms in FY 98 and FY 99, but this plan will not be formulated until the Mission recruits a full time Evaluation and Program Development Officer. No other Global Bureau resources are requested.

4.2 Other Washington Offices: The current design of the Baltic American Foundation for Democracy will continue to need TDY support from ENI/PD, ENI technical offices, ENI/ECA, in addition to PPC and GC. To move the program approval process forward, these offices are providing key design assistance during FY97 and the mission will be in a better position to identify specific TDY assistance after the review of the Foundation concept paper scheduled for May 1997.

The work under SO 1.2 will continue to need support from ENI/PER staff working with the Department of Treasury to ensure the smooth development of the assistance for fiscal and budgetary policy. PER staff have not had sufficient time to spend on TDYs in the Lithuania and this year will be crucial for continued support. In addition, a program review of the Treasury monetary and banking policy program will benefit from a biannual team consultation from ENI/PER with the Department of Treasury.

The mission highly values the close and cooperative support from ENI/PER for fiscal and financial reforms and requests a TDY late in FY 97 or early FY 98 to review the banking sector and prepare a close out report and complete the banking supervision work. Finally, at least four TDYs per year are requested from the capital markets PER officer, which is a model of PER/Vilnius teamwork.

The energy work will require an additional two to four TDYs during the next year to orient the new resident energy advisor and fine tune the workplan with the contractor and USAID/Vilnius. A more professional level of monitoring and management of the Baltic Regional Energy Planning (BREP) project is required and the hiring of a regional BREP consultant needs to be completed.

At least one visit from the ENI/EEUD environment office is needed to continue to monitor the WEC Pollution Prevention Center and ensure the timely close out of the HIID environmental policy work. An end of program evaluation of the Environment activities, including the EPA program, is requested prior to the FY 98 R2 submission.

5. Workforce and Operating Expenses

The proposed extension of the program for one additional year will require a one year extension of the OE and program funded staff and office for USAID/Vilnius (Annex 7). We anticipate that the result of any decision to extend the program will be to incur the same level

of staff and costs in FY 98 as for FY 97 and that the FY 99 budget would be the same as presently planned for FY 98. Workforce levels by OE and program funded staff by year are included in the attached table.

The clear implication for increased costs are one additional year at the full costs of the current mission support, which is approximately \$3900,000 for OE and \$625,000 for program funded staff. USAID/Vilnius can expect a mandatory increase in costs related to our ICASS contribution over the budget estimated for FY 97. We estimate that the total increased costs may be approximately closer to \$60,000 in OE than the Bureau estimated \$45,000. The increase will not have a direct impact on mission workforce levels unless there is a reduction in the OE budget.

6. Environmental Compliance and Issues

The issues of environmental policy and compliance remain the same as in the Strategic Plan for 1996. The major environmental issues facing Lithuania are related to the energy sector and the continued concerns about nuclear safety. The Mission has proposed to increase efforts to improve energy price reform which will result in market pressure on industries to be more energy efficient. The government's commitment to price reform is reflected in the President's establishment of a new Energy Price Commission. This year will be crucial for Lithuania's nuclear energy program, as the country will need to decide whether to re-license the Ignalina Nuclear Power Plant (INPP) based on the EBRD G-7 safety assessment. The continued work by the Department of Energy and Nuclear Regulatory Commission are critical to ensure continued compliance with international agreements and capacity building to regulate the INPP.

The new government's commitment to environmental policy changes is mixed and real results cannot be expected in the next five years. USAID's strategy has been to support the development of the Lithuanian Environmental Investment Fund which will be supported by the WEC Pollution Prevention Center, the HIID policy advisor, and the remaining funds in an environment contract. Grants have been provided to nature conservation groups under the Democracy Network grants, but results cannot be measured until next year.

No specific efforts are planned to address biological diversity, as was noted in the FY 96 strategic plan. The biodiversity assessment for Lithuania was completed in 1996 and submitted as part of the 1996 Strategic Plan.

7. Strategic Objective Teams

The composition of the revised strategic objective teams is included in Annex 8.

Annex 1
Modified Strategic Plan
(PRINTED SEPARATELY)

Annex 2

Close Out Schedule for Activities

U.S. ASSISTANCE FOR LITHUANIA

ANNEX 2. CLOSE OUT SCHEDULE

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

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LAST FY. LAST MONT CLOSE-OUT REMARKS/
OF FUNDING OF ACTIVITY OF ACTIVITY EXPLANATIONS
COMPLETED

Project No.

A. STRENGTHENING DEMOCRATIC INSTITUTIONS

SUB-TOTAL

1. Political Process and Governance			
Democratic Governance and Public Administration			
180-0019	*Public Administration	1996	9/96
.07			
Rule of Law			
180-0020	* ABA Grant	1997	6/96
.02	-Collat law/JTC	1997	6/99
.02b	*Judicial Training Ctr	1998	6/99
2. Democratic Pluralism			
Political and Social Process			
180-0021	* polit. orgs. (incl. elec. monitoring)		
.05	-IRI	1996	12/96
	-NDI	1996	10/97
.08	* FTUI	1995	12/98
Independent Media			
180-0022	* Professional Media Program	1995	
.03			
.02	* Media training (USIA)	1996	
Non Governmental Organization (NGO) Dev. Project			
180-0032	*Democracy Networks	1996	9/96
.09	*Civic participation foundation	1999	2008+

B. ECONOMIC RESTRUCTURING

2. Privatization and Assistance to Enterprises			
Privatization & Enterprise Restruc.			
180-0014	Capital Markets	1998	9/99
.02			
.04	Banking Sector		
	-Supervision: KPMG	1995	10/96
	-Supervision: IBTCI	1997	12/98
	-Comm bank restructuring: IBTCI	1996	6/98
	-Bank Training: KPMG	1994	1/96
.05	Regional/other		
	-Tax policy HIID	1999	9/00
	-Tax policy KPMG	1996	3/97
	-Trade policy HIID	1996	1/98
Technical Assistance to Enterprises			
180-0023	* IESC Private Enterprise	1997	8/99
.01			
.03	* CIPE (Chamber)	1995	3/98
.05	* MBA Enterprise Corps	1996	9/97
.06	*WOCCU	1995	12/97
.07	* Peace Corps	1996	9/98
.11	* Entrepren. Mgmt & Exec. Dev.	1996	12/98
.22	Lithuania Free Market Instit.	1998	6/00
3. Improving the Business Climate			
Competition Policy, Laws & Regulations			
180-0026	*Commerce (CLDP)	1996	7/7/98
.05			
.13	* Collateral Law (IRIS)	1995	7/96
Business Services			
180-0027	* TA/Finan Serv (Treas), incl. tax		
.01			

U.S. ASSISTANCE FOR LITHUANIA

ANNEX 2. CLOSE OUT SCHEDULE

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

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Project No.		LAST FY OF FUNDING	LAST MONT OF ACTIVITY	CLOSE-OUT REMARKS/ OF ACTIVITY EXPLANATIONS	
				COMPLETED	
	-Treasury-Budget and fiscal policy	1999	9/01		
	-Treasury-banking	1999	6/01		
	-Treasury-Tax administration	1996	1/98		
.02	* FSVC grant	1996	3/98		
4. Investment and Trade					
180-0010	Enterprise Funds				
.05	* Baltics Enterprise Fund	2000	2006		
180-0045	Participant Training				
.01	* PIET	1999	9/00		
180-0029	Management Training & Market Economics Education				
.01	* Large grants competition: TAMIU	1995	6/97		
.03	* Large grants competition: Kaunas Tech Univ	1997	6/98		
6. Agriculture and Agribusiness					
180-0024	Restructuring Agriculture and Agribusiness				
.01	* VOCA	1996	3/97	3/97	
.07	* Dairy farming/Land O'Lakes	1995	12/97		
8. Energy Efficiency					
180-0030	Regional Energy Efficiency				
.01	* Indus. Contr.: Restruc. & Effic.				
	-Energy pricing: Bechtel	1999	6/00		
	-Balt Reg Energy Plan: Elect	1996	TBD		
.04	* grant to USEA	1996	TBD		
.05	* IAA with NRC	1998	9/99		
C. IMPROVING THE QUALITY OF LIFE					
5. Environment					
180-0039	Improved Public Sector Environmental Services				
.01	* IAA with EPA	1997	12/98		
.10	*EAP Investments	1996	7/97		
180-0004	Environmental Initiatives				
.01	* World Environmental Ctr	1996	6/98		
D. MISCELLANEOUS					
180-0249	Audit, Evaluation, and Project Support				
.01	* Evaluation	2000	12/00		
.02	* Project Support	2000	12/00		
180-xxxx	Transferred or Withheld from OYB				
	* Trans to USIA: Dem. Corn. Sm Gr.	1998	2/00		
	* English Teaching (USIA)	1997	8/98		

Annex 3
Resource Request by SO

U.S. Strategic Assistance FY 97-Lithuania
(in thousands of US dollars)

	Lithuania Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96
Strategic Assistance Area 1										
Economic Restructuring: Foster the emergence of a competitive, market-oriented economy in which the majority of economic resources are privately owned and managed										
	5,102	170	5,525	3,800	1,675	11,000	29,118	10,856	910	6,182
Strategic Assistance Area 2										
Democracy: Support the transition to transparent and accountable governance and the empowerment of citizens through democratic political processes										
	1,127	0	175	1,025	600	1,800	3,755	1,105	250	600
Strategic Assistance Area 3										
Quality of Life/Social Sector Restructuring: Strengthen the capacity to manage the human dimension of the transition to democracy and a market economy, and help sustain the need										
	0	100	100	0	0	100	200	0	0	0
Strategic Assistance Area 4										
Special Initiatives										
	0	0	50	0	0	50	150	0	0	100
Miscellaneous										
	0	136	1,150	675	525	2,350	4,325	805	15	1,019
TOTAL	6,229	406	7,000	5,500	2,800	15,300	37,547	12,766	1,175	7,901

Strategic Assistance Area 1	
Strategic Assistance Area 2	
Strategic Assistance Area 3	
Strategic Assistance Area 4	
Miscellaneous	
Total	

Lithuania										
Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96	
5,102	170	5,525	3,800	1,675	11,000	29,118	10,856	910	6,182	
82%	42%	79%	69%	60%	72%	78%	85%	77%	78%	
1,127	0	175	1,025	600	1,800	3,755	1,105	250	600	
18%	0%	3%	19%	21%	12%	10%	9%	21%	8%	
0	100	100	0	0	100	200	0	0	0	
0%	25%	1%	0%	0%	1%	1%	0%	0%	0%	
0	0	50	0	0	50	150	0	0	100	
0%	0%	1%	0%	0%	0%	0%	0%	0%	1%	
0	136	1,150	675	525	2,350	4,325	805	15	1,019	
0%	33%	16%	12%	19%	15%	12%	6%	1%	13%	
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

Annex 4

Resource Request by ENI Projects

U.S. ASSISTANCE FOR CENTRAL AND EASTERN EUROPE-LITHUANIA

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.	Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96
A. STRENGTHENING DEMOCRATIC INSTITUTIONS										
180-0019	Democratic Governance & Public Admini	445	0	0	0	0	840	840	0	0
180-0020	Rule of Law	75	0	175	25	0	200	725	0	525
180-0021	Political and Social Process	228	0	0	0	0	440	265	0	175
180-0022	Independent Media	115	0	0	0	0	115	15	0	100
180-0032	Non Governmental Organization (NGO)	455	0	0	900	600	1,500	2,200	250	200
B. ECONOMIC RESTRUCTURING										
180-0014	Privatization and Enterprise Restructurin	198	0	3,550	2,250	775	6,575	9,335	0	2,250
180-0023	Technical Assistance to Enterprises	1,347	20	300	100	0	420	4,305	2,757	1,128
180-0026	Competition Policy, Laws and Regulation	50	0	0	0	0	160	0	0	160
180-0027	Business Services	450	0	450	450	400	1,300	2,054	400	354
180-0010	Enterprise Funds	0	0	0	0	0	0	0	0	0
180-0045	Participant Training	0	0	600	125	100	825	2,207	805	572
180-0029	Management Training	350	0	0	0	0	1,330	1,330	0	0
180-0024	Restructuring Agriculture and Agribusine	1,825	0	0	0	0	4,954	4,654	0	300
180-0030	Regional Energy Efficiency	200	150	1,075	1,000	500	2,725	3,225	0	500
C. IMPROVING QUALITY OF LIFE										
180-0016	Trauma, Social Welfare & Humanitarian	0	0	0	0	0	0	0	0	0
180-0056	Bosnia reconstruction Finance	0	0	0	0	0	0	0	0	0
180-0058	Bosnia Municip. Infrastruc. & Services (0	0	0	0	0	0	0	0	0
180-0002	Human Resources - Social Sector Restruc	0	0	0	0	0	0	0	0	0
180-0033	Labor Market Transition	0	0	0	0	0	0	0	0	0
180-0034	Housing Sector Assistance	0	0	0	0	0	0	0	0	0
180-0037	Partnerships in Health Care	0	0	0	0	0	0	0	0	0
180-0038	Promotion of Health Markets	0	0	0	0	0	0	0	0	0
186-0002	Romanian Family Planning	0	0	0	0	0	0	0	0	0
180-0039	Improved Public Sector Environmental S	0	100	100	0	200	615	0	0	415
180-0004	Environmental Initiatives	601	0	50	0	50	2,673	1,973	0	650
180-0041	Environmental Training	0	0	0	0	0	0	0	0	0
D. MISCELLANEOUS										
180-0249	Audit, Evaluation and Project Support	0	136	550	550	425	1,661	2,118	0	447
180-XXXX	Reserved, Withheld or Transfers	0	0	150	100	0	250	450	0	200
TOTAL SAI-APPROPRIATED ASSISTANCE		6,339	406	7,000	5,500	2,800	15,706	37,745	12,888	7,976

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.		Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96	
A. STRENGTHENING DEMOCRATIC INSTITUTIONS												
		SUB-TOTAL	1,319	0	175	925	600	1,700	4,319	1,369	250	1,000
1. Political Process and Governance												
Democratic Governance and Public Administration												
180-0019												
.07	x	*Public Administration	445	0	0	0	0	840	840	0	0	
		PROJECT TOTAL	445	0	0	0	0	840	840	0	0	
Rule of Law												
180-0020												
.02	x	* ABA Grant	75	0	150	0	0	150	675		525	
	x	JTC			25	25		50	50			
		PROJECT TOTAL	75	0	175	25	0	200	725	0	525	
2. Democratic Pluralism												
Political and Social Process												
180-0021												
.05		* polit. orgs. (incl. elec.	0	0	0	0	0	0	0	0	0	
	x	-IRI	61		0	0	0	100			100	
		-NDIAA	167		0	0	0	340	265		75	
		PROJECT TOTAL	228	0	0	0	0	440	265	0	175	
Independent Media												
180-0022												
.03	x	* Professional Media P	15	0	0	0	0	15	15	0	0	
.02	x	* Media training (USIA)	100	0	0	0	0	100	0	0	100	
		PROJECT TOTAL	115	0	0	0	0	115	15	0	100	
Non Governmental Organization (NGO) Dev. Project												
180-0032												
.09	x	*Democracy Networks	455	0	0	0	0	700	250	250	200	
	x	*BA Found for Dem.			900	600	1,500	1,500				
		PROJECT TOTAL	455	0	900	600	1,500	2,200	250	250	200	

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.		Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96	
B. ECONOMIC RESTRUCTURING												
		SUB-TOTAL	4,420	170	5,975	3,925	1,775	11,845	27,570	9,545	5,264	
1. Macroeconomic Support												
2. Privatization and Assistance to Enterprises												
180-0014		Privatization & Enterprise Restruc.										
.02	x	Capital Markets		1,350	400		1,750	2,450			700	
.03		Enterprise Restructuring					0	0				
.04		Banking Sector	198	110			110	895		310	475	
	x	KPMG, IBTCI										
.05		Fiscal reform, other					0	0				
.05	x	*Treasury		1,090	900	475	2,465	2,815		200	150	
.05	x	*HID		1,000	950	300	2,250	3,175			925	
		PROJECT TOTAL	198	0	3,550	2,250	775	6,575	9,335	0	510	2,250
180-0023		Technical Assistance to Enterprises										
.01	x	* IESC Private Enterpri	614	0	200	0	0	200	1,860	1,410	0	250
.05	x	* CIPE (Chamber)	56	0	0	0	0	0	142	142	0	0
.03	x	* MBA Enterprise Cor	200	0	0	0	0	0	200	0	0	200
.07	x	* Peace Corps (includ	124	20	0	0	0	20	416	396	0	0
.11	x	* Entrepren. Mgmt & E	197	0	0	0	0	0	1,287	809	0	478
.22	x	Lithuania Free Market I	156		100	100	0	200	400			200
		PROJECT TOTAL	1,347	20	300	100	0	420	4,305	2,757	0	1,128

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.		Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96
3. Improving the Business Climate											
180-0026		Competition Policy, Laws & Regulations									
.05	x	*Commerce (CLDP)	50	0	0	0	0	160	0	0	160
		PROJECT TOTAL	50	0	0	0	0	160	0	0	160
180-0027		Business Services									
.01	x	* TA/Finan Serv (Treas	450	0	450	450	400	1,300	1,810	200	310
.02	x	* FSVC grant	0	0	0	0	0	244	0	200	44
		PROJECT TOTAL	450	0	450	450	400	1,300	2,054	400	354
4. Investment and Trade											
180-0010		Enterprise Funds									
.05	x	* Baltics Enterprise Fu	0	0	0	0	0	0	0	0	0
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0
5. Human Resources											
180-0002		Human Resources Program									
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0
180-0045		Participant Training									
.01		* PIET/World Learning	0	0	600	125	100	825	2,207	805	572
		PROJECT TOTAL	0	0	600	125	100	825	2,207	805	572

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.	Pipeline		LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF	LIT Pre95	LIT95 CO	LIT 96
								OBJECTIVE			
180-0029		Management Training & Market Economics Education									
.01	x	*Large grants competi	350	0	0	0	0	1,330	1,330	0	0
.03		*Eval., Monitoring & C	0	0	0	0	0	0	0	0	0
		PROJECT TOTAL	350	0	0	0	0	1,330	1,330	0	0
		6. Agriculture and Agribusiness									
180-0024		Restructuring Agriculture and Agribusiness									
.01	x	*VOCA	148	0	0	0	0	1,384	1,084	0	300
.07	x	* Dairy farming/Land O	1,677	0	0	0	0	3,570	3,570	0	0
		PROJECT TOTAL	1,825	0	0	0	0	4,954	4,654	0	300
		7. Agriculture Sector Programs									
180-0046		Agriculture Development Progr	0	0	0	0	0	0	0	0	0
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0
		8. Energy Efficiency									
180-0030		Regional Energy Efficiency									
.01	x	*Indus. Contr.: Restru	0	0	875	800	500	2,175	2,525		350
.03	x	* Energy Information S	0	0	0	0	0	0	0	0	0
.04	x	* grant to USEA	0	0	0	0	0	150	0	0	150
.05	x	* IAA with NRC	200	150	200	200	0	550	550	0	0
		PROJECT TOTAL	200	150	1,075	1,000	500	2,725	3,225	0	500
		C. IMPROVING THE QUALITY OF LIFE									
		SUB-TOTAL	601	100	150	0	0	250	3,254	1,073	1,085
		1. Short-term Emergency & Humanitarian Aid									
180-0016		Trauma, Social Welfare & Humanitarian Assistance									
.08		* PSCs & Evaluation	0	0	0	0	0	0	0	0	0
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0
180-0056		Bosnia Reconstruction Finance									
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0
180-0058		Bosnia Municipal Infrastr. & Services (MIS)									
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.		Pipeline	LIT LIFE OF							LIT Pre95	LIT95 CO	LIT 96
			LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	OBJECTIVE				
2. Employment and the Social Safety Net												
180-0002	Regional Human Resources component											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
180-0033	Labor Market Transition											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
3. Housing												
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
4. Health												
180-0037	Partnerships in Health Care											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
180-0038	Promotion of Health Markets											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
186-0002	Romanian Family Planning											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0
5. Environment												
180-0039	Improved Public Sector Environmental Services											
.01	x	* IAA with EPA & REC	0	100	100	0	0	200	200	0	0	0
.10	x	*EAP Investments	0	0	0	0	0	0	415	0	0	415
		PROJECT TOTAL	0	100	100	0	0	200	615	0	0	415
180-0004	Environmental Initiatives											
.01	x	* World Environmental	421	0	0	0	0	0	1,916	1,516	0	400
.11	x	* HIID	180	0	50	0	0	50	756	456	0	250
		PROJECT TOTAL	601	0	50	0	0	50	2,673	1,973	0	650
180-0041	Environmental Training											
		PROJECT TOTAL	0	0	0	0	0	0	0	0	0	0

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FY 97 RESOURCE REQUEST

Proprietary Procurement Information: Criminal and Civil Penalties Apply for Disclosure Outside the USG

Project No.		Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre95	LIT95 CO	LIT 96	
D. MISCELLANEOUS												
SUB-TOTAL			0	136	700	650	425	1,911	2,598	0	10	647
180-0249	Audit, Evaluation, and Project Support											
.01	X	* Evaluation & Audit	0	100	100	100	100	400	400	0	0	0
.02	X	* PSCs. travel, proj. su	0	36	450	450	325	1,261	1,718	0	10	447
PROJECT TOTAL			0	136	550	550	425	1,661	2,118	0	10	447
180-xxxx	Transferred or Withheld from OYB											
		* Parking Fines Set Asi	0	0	0	0	0	0	0	0	0	0
	x	* Trans to USIA: Dem.	0	0	100	100	0	200	300	0	0	100
	x	* English Teaching (U	0	0	50	0	0	50	150	0	0	100
PROJECT TOTAL			0	0	150	100	0	250	450	0	0	200
TOTAL SAI APPROPRIATED ASSIST			6,339	406	7,000	5,500	2,800	15,706	37,745	12,888	1,175	7,976

U.S. Strategic Assistance FY 97-LITHUANIA
(in thousands of US dollars)

Pipeline	LIT LIFE OF									
	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	OBJECTIVE	LIT Pre	LIT95 CO	LIT 96	
SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector										
14.02 Privatization	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices										
14.05 Fiscal reform and other: HIID	0	0	1000	950	300	2250	3175	0	0	925
14.05 Fiscal reform and other: Treas	0	0	1090	900	475	2465	2815	0	200	150
	0	0	2,090	1,850	775	4,715	5,990	0	200	1,075
SO1.3 Accelerated Development and Growth of Private Enterprises										
4.01 WEC: Waste Minimization	421	0	0	0	0	0	1916	1,516	0	400
10.00 Enterprise Funds	0	0	0	0	0	0	0	0	0	0
14.03 Enterprise Restructuring	0	0	0	0	0	0	0	0	0	0
23.01 IESC Private Enterprise	614	0	0	0	0	0	1660	1,410	0	250
23.03 CIPE	56	0	0	0	0	0	142	142	0	0
23.05 MBA Enterprise Corps	200	0	0	0	0	0	200	0	0	200
23.07 Peace Corps	124	20	0	0	0	0	416	396	0	0
23.11 EMED	197	0	0	0	0	0	1287	809	0	478
24.01 VOCA Grant	148	0	0	0	0	0	1384	1,084	0	300
24.07 Dairy Farming (LOL)	1,677	0	0	0	0	0	3570	3,570	0	0
26.02 Anti-trust law advice (DOJ/FTC)						0	0			
26.05 Commerce: Government to G	50	0	0	0	0	0	160	0	0	160
26.13 Collateral Law						0	0			
29.01 Management Trng. Large Gra	350	0	0	0	0	0	1330	1,330	0	0
29.02 Management Trng. Small Grants						0	0			
39.10 EAP Investments	0	0	0	0	0	0	415	0	0	415
	3,837	20	0	0	0	0	12,480	10,257	0	2,203

U.S. Strategic Assistance FY 97-LITHUANIA
(in thousands of US dollars)

	Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre	LIT95 CO	LIT 96
SO 1.4 A More Competitive and Market-responsive Private Financial Sector										
4.11 * HIID	180	0	50	0	0	50	756	456	0	250
14.02 Capital Markets	0	0	1,350	400	0	1750	2,450	0	0	700
14.04 Banking Sector	198	0	110	0	0	110	895	0	310	475
20.02 ABA Grant	25	0	100	0	0	100	525	0	0	425
23.01 IESC Private Enterprise	0	0	200			200	200			
23.06 WOCCU (Credit Unions)						0				
* CIPE (Chamber)	56	0	0	0	0	0	142	142	0	0
23.22 Lithuania Free Market Instit.	156	0	100	100	0	200	400	0	0	200
26.13 Collateral Law (IRIS)						0				
27.01 TA/Financial Services (Treasur	450	0	450	450	400	1300	1810	0	200	310
27.02 FSVC Grant	0	0	0	0	0	0	244	0	200	44
	1,065	0	2,360	950	400	3,710	7,422	598	710	2,404

SO 1.5 A More Economically Sustainable and Environmentally Sound Energy Sector

30.01 Industry Contracts	0	0	875	800	500	2175	2525	0	0	350
30.03 Energy Information Systems	0	0	0	0	0	0	0	0	0	0
30.04 Grant to USEA: Electrical Utiliti	0	0	0	0	0	0	150	0	0	150
30.05 IAA with NRC	200	150	200	200	0	400	550	0	0	0
	200	150	1,075	1,000	500	2,575	3,225	0	0	500

SO 2.1 Increased, Better-informed Citizens' Participation in Political and Economic Decision-Making

21.05 Political orgs. (incl. elect. monit	61	0	0	0	0	0	100	0	0	100
19.07 Public Administration	445	0	0	0	0	0	840	840	0	0
20.02 ABA Grant	50	0	50			50	150	0	0	100
20.02 JTC	0	0	25	25	0	50	50	0	0	0
21.08 AFL-CIO: Free Trade Union Institute						0	0			

U.S. Strategic Assistance FY 97-LITHUANIA
(in thousands of US dollars)

	Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 C0-99	LIT LIFE OF OBJECTIVE	LIT Pre	LIT95 CO	LIT 96
32.09 Democracy Networks	455	0	0	0	0	0	700	250	250	200
32.11 BA Foundation Dem	0	0	0	900	600	1500	1500	0	0	0
Trans. to USIA for Democ. Co	0	0	100	100	0	200	300	0	0	100
22.02 Media Training (USIA)	100	0	0	0	0	0	100	0	0	100
22.03 Professional Media Program	15	0	0	0	0	0	15	15	0	0
	1,127	0	175	1,025	600	1,800	3,755	1,105	250	600

SO 2.2 Legal Institutions that Better Support Democratic Processes and Market Reforms

20.02 ABA Grant
20.03 DOJ/AOJ
20.04 Anti-crime

	0	0	0	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---	---	---	---

SO 2.3 More Effective, Responsive and Accountable Local Government

19.07 Public Administration

	0	0	0	0	0	0	0	0	0	0
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SO 3.1 Human Suffering and Negative Consequences of Crises are Reduced

	0	0	0	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---	---	---	---

SO 3.2 Improved sustainability of social benefits and services

	0	0	0	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---	---	---	---

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U.S. Strategic Assistance FY 97-LITHUANIA
(in thousands of US dollars)

	Pipeline	LIT 96 CO	LIT 97	LIT 98	LIT 99	LIT 96 CO-99	LIT LIFE OF OBJECTIVE	LIT Pre	LIT95 CO	LIT 96
SO 3.3 Reduced Environmental Risks to Public Health										
4.01 WEC: Waste Minimization						0	0			
39.01 IAA with EPA	0	100	100	0	0	100	200	0	0	0
39.10 EAP Investments						0	0			
	0	100	100	0	0	100	200	0	0	0
4.1 Special Initiatives										
2.09 English teaching (USIA)	0	0	50	0	0	50	150	0	0	100
	0	0	50	0	0	50	150	0	0	100
4.2 Cross-Cutting										
180.x Parking Fines Set Asides	0	0	0	0	0	0	0	0	0	0
45.01 PIET (training)	0	0	600	125	100	825	2207	805	5	572
249.01 Evaluation	0	100	100	100	100	300	400	0	0	0
249.02 Project Support field & general	0	36	450	450	325	1225	1718	0	10	447
180.xx Latvia reserve										
	0	136	1,150	675	525	2,350	4,325	805	15	1,019
TOTAL	6,229	406	7,000	5,500	2,800	15,300	37,547	12,765	1,175	7,901

Annex 5
Resource Request for Regional Foundation

FOUNDATION RESOURCE REQUEST

Strategic Objective 2.1: Citizen Participation

Lithuania bilateral allocation:	FY 98: \$900,000 and FY 99: \$ 600,000.
Latvia bilateral allocation:	FY 98: \$1,500,000
Regional request:	FY 98: \$1,600,000 and FY 99: \$2,900,000.

Resource Request by Project

Project 180-0032 Non-Governmental Organization (NGO) Development

FY 98: \$4.0 million
FY 99: \$3.5 million

Total Request: FY 98: \$4,000,000 and FY 99: \$3,500,000.

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Annex 6
Global Bureau Support

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1997		FY 1998		FY 1999	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.1.2: Improved Fiscal Management	Consulting Assistance on Economic Reform (CAER)	High	3 years (1997-99)	1,000	---	950	---	400	---
S.O.4.1 Gross Cutting Training	Participant Training for Europe: 180-0045.01	Med-high	3 years (1997-99)	600		100		100	
GRAND TOTAL.....				1,600	---	1,050	---	500	---

*For Priorities use high, medium-high, medium, medium-low, low

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Annex 7
Work Force and Operating Expenses

Organization: Lithuania

[illegible]

Totals by Staffing Category - FY 1997 Ceiling

									Support Offices								
Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)		Special Objective3: (title)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	1	0		0	1	1	0	0	0	0	0	0	1	2
USPSC (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	1	0	2	0		0	3	0	0	0	0	0	1	0	1	4
Total USPSCs	0	1	0	2	0		0	3	0	0	0	0	0	1	0	1	4
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	3	6	6
FSN/TCN Non Direct Hire (Program Funded)	1	0	0.5	0	1		0.5	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Non Direct Hire	1	0	0.5	0	1		0.5	3	0	0	2	0	0	1	3	6	9
Total FSN/TCN (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	3	6	6
Total FSN/TCN (Program Funded)	1	0	0.5	0	1		0.5	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	1	0	0.5	0	1		0.5	3	0	0	2	0	0	1	3	6	9
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	0	0	1	0		0	1	1	0	2	0	0	1	3	7	8
Total Program Funded Staff	1	1	0.5	2	1		0.5	5	0	0	0	0	0	1	0	1	1
Grand Total All Staff	1	1	0.5	3	1		0.5	7	1	0	2	0	0	2	3	8	15

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

88

Workforce Resources
FY 1998 Position Allocation of Staff Ceilings

Organization: _____

Staff	Strategic Objective 1: (Fiscal management)	Strategic Objective 2: (Financial Stability)	Strategic Objective 3: (Energy Reform)	Strategic Objective 4: Civic Participation	Strategic Objective 5: Enterprise Development	Special Objective 1: (Environment)	Special Objective 2: (Training)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
									Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH				1				1	1							1	2
USPSC (OE/TF)								0								0	0
Internationally Recruited								0								0	0
USPSC (OE/TF)								0								0	0
Locally Recruited								0								0	0
USPSC (Program Funded)		1		1				2						1		1	3
FSN/TCN Direct Hire (OE/TF)								0								0	0
Internationally Recruited								0								0	0
FSN/TCN Direct Hire (OE/TF)								0								0	0
Locally Recruited								0								0	0
FSN/TCN Non-Direct Hire (OE/TF)								0								0	0
Internationally Recruited								0								0	0
FSN/TCN Non-Direct Hire (OE/TF)								0								0	0
Locally Recruited								0			2			1	3	6	6
FSN/TCN Non-Direct Hire (Program Funded)	1	1	1	0.5			0.5	4								0	4
Other (RSSA, PASA, IPA) (OE/TF Funded)								0								0	0
Other (RSSA, PASA, IPA) (Program Funded)								0								0	0
Total Staff by Objective	1	2	1	2.5	0		0.5	7	1	0	2	0	0	2	3	6	15
TAACs*																	
Fellows*																	

Totals by Staffing Category - FY 1998 Ceiling

									Support Offices								
Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)		Special Objective3: (title)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	1	0		0	1	1	0	0	0	0	0	0	1	2
USPSC (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	1	0	1	0		0	2	0	0	0	0	0	1	0	1	3
Total USPSCs	0	1	0	1	0		0	2	0	0	0	0	0	1	0	1	3
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	3	6	6
FSN/TCN Non Direct Hire (Program Funded)	1	1	1	0.5	0		0.5	4	0	0	0	0	0	0	0	0	4
Total FSN/TCN Non Direct Hire	1	1	1	0.5	0		0.5	4	0	0	2	0	0	1	3	6	10
Total FSN/TCN (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	3	6	6
Total FSN/TCN (Program Funded)	1	1	1	0.5	0		0.5	4	0	0	0	0	0	0	0	0	4
Total FSN/TCN Staff	1	1	1	0.5	0		0.5	4	0	0	2	0	0	1	3	6	10
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	0	0	1	0		0	1	1	0	2	0	0	1	3	7	8
Total Program Funded Staff	1	2	1	1.5	0		0.5	5	0	0	0	0	0	1	0	1	1
Grand Total All Staff	1	2	1	2.5	0		0.5	7	1	0	2	0	0	2	3	8	15

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

es

Workforce Resources
FY 1999 Position Allocation of Staff Target Levels

Organization: _____

Staff	Strategic Objective 1: (Fiscal manage- ment)	Strategic Objective 2: (Financial Stability)	Strategic Objective 3: (Energy Reform)	Strategic Objective 4: Civic Participation	Strategic Objective 5: Enterprise Development	Special Objective 1: (Environ- ment)	Special Objective 2: (Training)	Subtotal S.O. Staff	Support Offices								Subtotal Support Staff	Grand Total Staff
									Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other			
USDH								0	1							1	1	
USPSC (OE/TF)								0								0	0	
Internationally Recruited								0								0	0	
USPSC (OE/TF)								0								0	0	
Locally Recruited								0								0	0	
USPSC (Program Funded)				1				1						1		1	2	
FSN/TCN Direct Hire (OE/TF)								0								0	0	
Internationally Recruited								0								0	0	
FSN/TCN Direct Hire (OE/TF)								0								0	0	
Locally Recruited								0								0	0	
FSN/TCN Non-Direct Hire (OE/TF)								0								0	0	
Internationally Recruited								0								0	0	
FSN/TCN Non-Direct Hire (OE/TF)								0			1			1	1	3	3	
Locally Recruited								0								0	0	
FSN/TCN Non-Direct Hire (Program Funded)	1	1	1					3								0	3	
Other (RSSA, PASA, IPA) (OE/TF Funded)								0								0	0	
Other (RSSA, PASA, IPA) (Program Funded)								0								0	0	
Total Staff by Objective	1	1	1	1	0		0	4	1	0	1	0	0	2	1	5	9	
TAACs*																		
Fellows*																		

Totals by Staffing Category - FY 1999 Target

									Support Offices								
Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)		Special Objective 3: (title)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	0	0	0	0		0	0	1	0	0	0	0	0	0	1	1
USPSC (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	1	0		0	1	0	0	0	0	0	1	0	1	2
Total USPSCs	0	0	0	1	0		0	1	0	0	0	0	0	1	0	1	2
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	1	0	0	1	1	3	3
FSN/TCN Non Direct Hire (Program Funded)	1	1	1	0	0		0	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Non Direct Hire	1	1	1	0	0		0	3	0	0	1	0	0	1	1	3	6
Total FSN/TCN (OE/TF)	0	0	0	0	0		0	0	0	0	1	0	0	1	1	3	3
Total FSN/TCN (Program Funded)	1	1	1	0	0		0	3	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	1	1	1	0	0		0	3	0	0	1	0	0	1	1	3	6
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (Includes USDH)	0	0	0	0	0		0	0	1	0	1	0	0	1	1	4	4
Total Program Funded Staff	1	1	1	1	0		0	0	0	0	0	0	0	1	0	1	1
Grand Total All Staff	1	1	1	1	0		0	4	1	0	1	0	0	2	1	5	9

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

2

FY 1999 Position Allocation of Staff Target Levels vs. Request Level

[illegible]

Totals by Staffing Category - FY 1999 Request

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)		Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices								Grand Total Staff
									Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	
USDH	0	0	0	0	0		0	0	1	0	0	0	0	0	0	1	1
USPSC (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	1	0		0	1	0	0	0	0	0	1	0	1	2
Total USPSCs	0	0	0	1	0		0	1	0	0	0	0	0	1	0	1	2
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	2	5	5
FSN/TCN Non Direct Hire (Program Funded)	1	1	1	0.5	0		0.5	4	0	0	0	0	0	0	0	0	4
Total FSN/TCN Non Direct Hire	1	1	1	0.5	0		0.5	4	0	0	2	0	0	1	2	5	9
Total FSN/TCN (OE/TF)	0	0	0	0	0		0	0	0	0	2	0	0	1	2	5	5
Total FSN/TCN (Program Funded)	1	1	1	0.5	0		0.5	4	0	0	0	0	0	0	0	0	4
Total FSN/TCN Staff	1	1	1	0.5	0		0.5	4	0	0	2	0	0	1	2	5	9
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	0	0	0	0		0	0	1	0	2	0	0	1	2	6	6
Total Program Funded Staff	1	1	1	1.5	0		0.5	4	0	0	0	0	0	1	0	1	1
Grand Total All Staff	1	1	1	1.5	0		0.5	5	1	0	2	0	0	2	2	7	12

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: **LITHUANIA**

Org. No: _____

OC

Org. Title: LITHUANIA

Org. No: _____

OC

FY 97									FY 98									Requested FY 99									Targeted FY 99								
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total															
FY 97			FY 98			Requested FY 99			Targeted FY 99																										
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total															

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: LITHUANIA

Org. No: _____
OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1 Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1 Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3 Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3 Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5 Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5 USDH			0.0			0.0			0.0			0.0
11.5 FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8 Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8 USPCS Salaries			0.0			0.0			0.0			0.0
11.8 FN PSC Salaries			50.6			57.9			31.4			0.0
11.8 IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0
Subtotal OC 11.8	0.0	0.0	50.6	0.0	0.0	57.9	0.0	0.0	31.4	0.0	0.0	0.0
12.1 Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Educational Allowances			0.0			0.0			0.0			0.0
12.1 Cost of Living Allowances			7.0			7.0			7.0			0.0
12.1 Home Service Transfer Allowances			0.0			0.0			0.0			0.0
12.1 Quarters Allowances			0.0			0.0			0.0			0.0
12.1 Other Misc. USDH Benefits			3.0			4.0			2.0			0.0
12.1 FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FNDH			0.0			0.0			0.0			0.0
12.1 Other FNDH Benefits			0.0			0.0			0.0			0.0
12.1 US PSC Benefits			0.0			0.0			0.0			0.0
12.1 FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FN PSC			32.2			2.6			5.8			0.0
12.1 Other FN PSC Benefits			0.1			0.1			0.1			0.0
12.1 IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0
Subtotal OC 12.1	0.0	0.0	42.3	0.0	0.0	13.7	0.0	0.0	14.9	0.0	0.0	0.0
13.0 Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FNDH			0.0			0.0			0.0			0.0
13.0 Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0
13.0 FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FN PSCs			0.0			0.0			0.0			0.0
13.0 Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXXX.wk4

Org. Title: LITHUANIA

Org. No: _____

OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0 Travel and transportation of persons												
21.0 Training Travel			5.0			5.0			5.0			0.0
21.0 Mandatory/Statutory Travel												
21.0 Post Assignment Travel - to field			0.0			0.0			0.0			0.0
21.0 Assignment to Washington Travel			0.0			0.0			2.0			0.0
21.0 Home Leave Travel			6.0			2.5			0.0			0.0
21.0 R & R Travel			1.5			3.0			0.0			0.0
21.0 Education Travel			0.0			0.0			0.0			0.0
21.0 Evacuation Travel			0.0			0.0			0.0			0.0
21.0 Retirement Travel			0.0			0.0			0.0			0.0
21.0 Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0 Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0 Operational Travel												
21.0 Site Visits - Headquarters Personnel			8.0			8.0			8.0			0.0
21.0 Site Visits - Mission Personnel			13.5			13.5			13.5			0.0
21.0 Conferences/Seminars/Meetings/Retreats			15.6			15.6			15.6			0.0
21.0 Assessment Travel			0.0			0.0			0.0			0.0
21.0 Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0 Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0 Recruitment Travel			0.0			0.0			0.0			0.0
21.0 Other Operational Travel			5.0			5.0			5.0			0.0
Subtotal OC 21.0	0.0	0.0	54.6	0.0	0.0	52.6	0.0	0.0	49.1	0.0	0.0	0.0
22.0 Transportation of things												
22.0 Post assignment freight			0.0			0.0			22.0			0.0
22.0 Home Leave Freight			0.0			0.0			0.0			0.0
22.0 Retirement Freight			0.0			0.0			0.0			0.0
22.0 Transportation/Freight for Office Furniture/Equip.			1.0			1.0			1.0			0.0
22.0 Transportation/Freight for Res. Furniture/Equip.			3.5			3.5			3.5			0.0
Subtotal OC 22.0	0.0	0.0	4.5	0.0	0.0	4.5	0.0	0.0	26.5	0.0	0.0	0.0
23.2 Rental payments to others												
23.2 Rental Payments to Others - Office Space			62.4			62.4			62.4			0.0
23.2 Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0
23.2 Rental Payments to Others - Residences			44.4			44.4			24.0			0.0
Subtotal OC 23.2	0.0	0.0	106.8	0.0	0.0	106.8	0.0	0.0	86.4	0.0	0.0	0.0
23.3 Communications, utilities, and miscellaneous charges												
23.3 Office Utilities			8.5			9.8			11.3			0.0
23.3 Residential Utilities			5.3			6.1			4.0			0.0
23.3 Telephone Costs			35.4			40.7			46.8			0.0
23.3 ADP Software Leases			0.0			0.0			0.0			0.0
23.3 ADP Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services			0.7			0.7			0.7			0.0
Subtotal OC 23.3	0.0	0.0	49.9	0.0	0.0	57.3	0.0	0.0	62.8	0.0	0.0	0.0

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OC

Subtotal OC 24.0

25.1 Engineering & Technical Services

Subtotal OC 25.1

25.2 ADP related contracts

Subtotal OC 25.2

25.3 All Other Services from Other Gov't. accounts

Subtotal OC 25.3

25.4 Residential Building Maintenance

Subtotal OC 25.4

25.6 Medical Care

Subtotal OC 25.6

25.7 Residential Furniture/Equip. Repair and Maintenance

FY 97			FY 98			Requested FY 99			Targeted FY 99		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
		1.0			1.0			1.0			0.0
0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.6			0.6			0.6			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		9.3			9.3			9.3			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	9.9	0.0	0.0	9.9	0.0	0.0	9.9	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		70.0			80.5			80.5			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	70.0	0.0	0.0	80.5	0.0	0.0	80.5	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		3.0			3.0			3.0			0.0
		5.0			5.0			10.0			0.0
0.0	0.0	8.0	0.0	0.0	8.0	0.0	0.0	13.0	0.0	0.0	0.0
		0.0			0.0			0.0			0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		1.2			1.2			1.2			0.0
		0.0			0.0			0.0			0.0
		4.0			4.0			4.0			0.0
		5.3			8.0			10.0			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	10.5	0.0	0.0	13.2	0.0	0.0	15.2	0.0	0.0	0.0

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: LITHUANIA

Org. No: _____

OC

25.8 Subsistence and support of persons (by contract or Gov't.)

Subtotal OC 25.8

26.0 Supplies and materials

Subtotal OC 26.0

31.0 Equipment

31.0 Purchase of Residential Furniture/Equip.

31.0 Purchase of Office Furniture/Equip.

31.0 Purchase of Vehicles

31.0 Purchase of Printing/Graphics Equipment

31.0 ADP Hardware purchases

31.0 ADP Software purchases

Subtotal OC 31.0

32.0 Lands and structures

32.0 Purchase of Land & Buildings (& construction of bldgs.)

32.0 Purchase of fixed equipment for buildings

32.0 Building Renovations/Alterations - Office

32.0 Building Renovations/Alterations - Residential

Subtotal OC 32.0

42.0 Claims and indemnities

Subtotal OC 42.0

TOTAL BUDGET

FY 97			FY 98			Requested FY 99			Targeted FY 99		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
		0.0			0.0			0.0			0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		7.9			7.9			7.9			0.0
0.0	0.0	7.9	0.0	0.0	7.9	0.0	0.0	7.9	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		3.0			3.0			3.0			0.0
		6.0			6.0			6.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		4.0			4.0			4.0			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	13.0	0.0	0.0	13.0	0.0	0.0	13.0	0.0	0.0	0.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
		0.0			0.0			0.0			0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		0.0			0.0			0.0			0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	429.0	0.0	0.0	426.3	0.0	0.0	411.6	0.0	0.0	0.0

The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.

Enter dollars in thousands - same format as above.

FY 98
Est.FY 99
Est.

ICASS - Program Funded

**USAID/LITHUANIA
PROPOSED OPERATING EXPENSE BUDGET
FY 1997 - 1999 (BY EOCC)**

The following is USAID/LITHUANIA's proposed Operating Expense budget for fiscal years 1997-1999.

EOCC Categories

11.8 FNPSC Salary/Benefits

FY97-99 Covers 6 FN PSCs FY'97 (5 for 12 months and 1 new for 6 months), 6 FN PSCs in FY'98 and 3 FN PSCs in FY'99. Reflects pay raises, includes year-end bonuses, 15% overtime and 31% social security.

12.1 USDH Benefits

FY97-99 Cover COLA for 2 USDHs and other benefits (health insurance, life insurance etc)

12.1 FNPSC Benefits

FY97-99 Cover separation funds for 6 FN PSCs in FY'97, additional severance pay for 1 FN PSC in FY'98 and 2 FN PSCs in FY'99 (due to exceeded years of service). Additionally cover Other benefits (possibly incentive award based on obligation made in FY'96).

21.0 Training travel and Operational travel

FY97-99 Estimated possible numbers.

21.0 Home Leave Travel

FY97-98 Covers costs of travel for R. Greenberg in FY'97 and for N. Studzinski in FY'98.

21.0 R&R Travel

FY97-98 Covers R&R travel for 1 US DH in FY'97 and for 1 US DH in FY'98 (USDH and spouse).

21.0 Site visits - Headquarters Personnel

FY97-99 Estimations based on travels in FY'96.

21.0 Site Visits - Mission Personnel

FY97-99 Estimates for 2 drivers and 2 US DHs based on expenses covered in FY'96.

21.0 Conferences/Seminars etc

FY97-99 Estimates based on similar travel expenses in FY'96.

22.0 Transp./Freight of office furniture

FY97-99 Estimates based on expenses and obligations under RO in FY'96.

22.0 Transp./Freight of resid. furniture

FY97-99 Estimates based on obligations and expenses as of FY'96 decreased by assumed lower purchases in following years.

22.0 Post Assignment Freight

FY99 Covers freight for 1 US DH returning to Washington.

23.2 Rental Payments to others-Office Space

FY97-99 Cover unchanged office space rental, according to lease agreements.

23.2 Rental Payments to others - Residences

FY97-99 Covers office and resid. leases for 2 US DHs in FY'97, 98 and for 1 US DH in FY'99.

23.3 Communications, utilities and miscel. charges

FY97-99 Cover office utilities, resid. utilities, phone calls and courier services based on obligations and expenses which occurred in FY'96. Resid. utilities in FY'99 estimated only for 1 resid. Note that 15 % annual inflation was taken into account.

24.0 Printing and Reproduction

FY97-99 Estimates based on FY'96 obligations and expenses.

25.2 Other Services

FY97-99 Cover representational allowance and other miscel. services based on FY'96 obligations and expenses.

25.3 ICASS**25.4 Operation and Maint. of Facilities**

FY97-99 Cover office building maintenance and resid. buildings maintenance (the latter increased in FY'99 due to move out of 1 US DH)

25.7 Operation/maintenance of equip & storage of goods

FY97-99 Covers ADP operation and maintenance costs, office equip. maint. and vehicle repair/maintenance based on expenses and obligations of FY'96.

26.0 Supplies and Materials

FY98-99 Estimates based on FY'96 obligations and expenses.

31.0 Equipment

FY98-99 Covers purchase of resid. furniture, office furniture, ADP hardware and software. Estimated cost associated with FY'96 obligations and expenses, decreased due to possible lower purchases.

TRUST FUNDS & FSN SEPARATION FUND

FN-2XXXX.WK4

Orgno.: _____
 Org. Title: LITHUANIA

Foreign National Voluntary Separation Account

Action	FY 97			FY 98			FY 99		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	32,211.0	31,299.0	63,510.0	2,526.0		2,526.0	5,762.0		5,762.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

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Annex 8
Composition of Strategic Objective Teams

COMPOSITION OF STRATEGIC OBJECTIVE TEAMS

S.O. 1.2 Improved Fiscal Management

Core Team:

Rasa Cicenienė, USAID/Lithuania (team leader)
Aldas Kriauciunas, USAID/Lithuania
Ronald Greenberg, USAID/Lithuania
Margaret Pollock, USAID/Washington
Cathy Mallay, USAID/Washington
Diane Dogan Hilliard, U.S. Treasury
Rimas Vaicenavicius, Ministry of Finance

Extended Team:

David Crawford, HIID
James Ruckriegle, U.S. Treasury
Elena Leontjeva, LFMI
George Gray, IESC
Algirdas Semeta, Minister of Finance
Violeta Latviene, Ministry of Finance
Steve Tabor, EMSI

S.O. 1.4: More Stable Financial Environment

Core Team:

Aldas Kriauciunas, USAID/Lithuania (team leader)
Ronald Greenberg, USAID/Lithuania
Rasa Cicenienė, USAID/Lithuania
Sandy Shapleigh, USAID/Washington
Jean Lange, USAID/Washington
John Glover, USAID/Washington
Beverly Loew, USAID/Washington
Margaret Pollock, USAID/Washington
Cathy Mallay, USAID/Washington
Sheila Tschinkel, U.S. Treasury

Extended Team:

Norton Cook, IBTCI

Diane Buckshnis, IBTCI
George Mullinax, U.S. Treasury
Ramune Bieksiene, LEIF
Kevin O'Hara, PRAGMA
Dalia Jurgaityte, WOCCU
Bridget Neill, U.S. Treasury
Arunas Kazakevicius, IESC
Kai Kristoferson, EU Phare
Arturas Keleras, Central Securities Depository

S.O. 1.5 Improved Energy Policy and Safety

Core Team:

Giedra Gureviciute, USAID/Lithuania (team leader)
Aldas Kriauciunas, USAID/Lithuania
Steve Tabor, USAID/Lithuania
Bob Ichord, USAID/W
Jacqueline DeRosa, USAID/Washington
Gordon Weynand, USAID/W (team leader)
Ira Birnbaum, USAID/W
Elita Sproge, USAID/Riga

Extended Team:

Charlie Smith, Electrotek
Dennis Meyers, DOE
Hans Shechter, NRC
Janis Ositis, DC/Baltija, Riga
Bieliauskas, Energy Ministry/Lithuania
Bob Fitzpatrick, Brookhaven National Laboratory
Michael Demcenko, VATESI/Lithuania
Viktoras Valentukevicius, Ministry of National Economy
Vidmantas Jankauskas, Energy Price Commission

S.O. 2.1: Increased, Sustained Collaboration of NGOs and Local Government to Develop Policies and Services which Reflect Community Interests

Core Team:

Nicholas Studzinski, USAID/Lithuania (team leader)
Mark Levinson, USAID/Lithuania
Raymond Sidrys, USAID/Lithuania
Howard Handler, USAID/Riga
Elita Sproge, USAID/Riga
Peeter Kohandi, USEmbassy/Tallinn
Carl Mabbs-Zeno, USAID/ENI/PD

Keith Simmons, USAID/ENI/PD
Roger Gardner, USAID/ENI/PD
Janina Jaruzelski, USAID/GC
Thomas Stephens, Regional Contracting Officer
John Avilla, Controller/Warsaw

Extended Team:

Ambassadors in Lithuania, Latvia, and Estonia
Laurence Vetter, ABA/CEELI
Vaidotas Ilgius, NGO Support Center
Richardas Malkevicius, Municipal Training Center
Kathryn Stratos, USAID/Washington
Christine Sheckler, USAID/Washington
Ashley Owen, US-Baltic Foundation

4.1 Special Initiative-Regional Environmental Monitoring

Core team:

Giedra Gureviciute, USAID/Lithuania (team leader)
Jennifer Karp, USAID/W
Peeter Kohandi, American Embassy in Tallinn
Elita Sproge, USAID/Riga
Mike Kalinoski, USAID/W

Extended Team:

Lina Striupkute, Ministry of Environment of Lithuania
Stafanie Kinney, US Embassy Denmark
Jon Grand, EPA

SO 4.1 Special Initiative - Improved Enterprise Capacity

Core Team:

Rasa Cicenienne, USAID/Lithuania
Irena Karmaziniene, USAID/Lithuania
Giedra Gureviciute, USAID/Lithuania
James May, USAID/Washington
David Beavens, USAID/Washington
Frank Martens, USAID/Washington
Patricia Bekele, USAID/Washington

Extended Team:

George Gray, IESC
Basia Nikiforova, MBA Enterprise Corps
Onute Babraviciene, VOCA
John MacKillop, Land O'Lakes
Robertas Vichas, Texas A&M
Inder Biskis, World Learning
Romas Lenkaitis, EAPS
Henry Konner, EAPS
Jonas Kapturauskas, WEC
Thomas Pluta, WEC
William Loehr, HIID (starting from 01/97)
Kestutis Dvirketis, Judicial Department, Parliament

4.1 Cross Cutting-Participant Training (PTPE)

Core Team:

Irena Karmaziniene, USAID/Lithuania (team leader)
Carolyn Coleman, USAID/W
Indre Biskis, PIET/Vilnius
Aldas Kriauciunas, USAID/Lithuania
Rasa Cicenienė, USAID/Lithuania
Giedra Gureviciute, USAID/Lithuania
Nicholas Studzinski, USAID/Lithuania

4.1 AE & PS

Core Team:

Ronald Greenberg, USAID/Lithuania (team leader)
Nicholas Studzinski, USAID/Lithuania
Aldas Kriauciunas, USAID/Lithuania
Rasa Cicenienė, USAID/Lithuania
Mark Levinson, USAID/Lithuania
Karen Simpson, ENI/PCS/B
Thomas Stephens, Regional Contracting Officer
John Avilla, Controller/Warsaw